

Asian Bankers Association

Newsletter

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December 2023



ABA Announcements

ABA Policy Advocacy Committee Issues Policy Papers on ESG and AML



The ABA Policy Advocacy Committee approved three policy papers addressing issues on ESG and AML during its meeting held on November 9, 2023 in Kathmandu, Nepal in conjunction with the 39th ABA General Meeting and Conference.

Chaired by **Ms. Ma. Christina Alvarez, Senior Vice President and Head of Corporate Planning at the Rizal Commercial Banking Corporation**, the meeting of the ABA Policy Advocacy Committee considered position papers presented virtually by representatives of ABA member banks and knowledge partners on policy issues of current concern to the banking sector.

Mr. David Kim, Head of Sustainability at the Bank of East Asia, delivered a presentation titled *'Promoting Cooperation in Achieving Sustainable Development Goals.'*



During his presentation, Mr. Kim elucidated various strategies for combating climate change and its associated impacts. He highlighted specific targets that he emphasized should be achieved by 2023. These targets encompassed strengthening resilience and adaptive capacity, integrating climate change measures into policy strategies and planning, and enhancing education, awareness, and human and institutional capacity in the realms of climate change mitigation, adaptation, impact reduction, and early warning.

Mr. Kim conveyed that the predominant share of the Bank of East Asia's emissions arises from its financial activities, specifically corporate lending and bond investments.

Furthermore, he outlined the Bank of East Asia's plan to attain net zero emissions through initiatives such as low-energy

building and energy transition, institutional changes, and carbon neutralization within its financial investments.

In addition, Mr. Kim mentioned that the Bank of East Asia is actively pursuing a climate financing strategy, a customer transition plan, and the incorporation of climate ESG (Environmental, Social, and Governance) data to achieve net-zero financed emissions.

He disclosed that in 2022, the Bank of East Asia launched the 'Bank of East Asia's Green and Sustainable Finance' framework with the aim of establishing a consistent methodology and associated procedures to identify and finance green projects and activities across the entire bank group.

Ms. Pelin Ataman Erdönmez, the director of The Banks Association of Turkey, made a presentation on *'Sustainability in the Turkish Banking Sector.'* Ms. Erdönmez emphasized that member banks within the association view sustainability as an integrated business model. She noted that these banks conduct environmental and social risk assessments and monitoring processes in alignment with both national and international legislation, as well as global standards.



Ms. Erdönmez expressed that, through the formulation of environmental and social action plans, Turkish banks serve as intermediaries in fostering their customers' environmental and social capabilities. She pointed out that the monitoring of environmental and social performance continues throughout the loan term.

Furthermore, Ms. Erdönmez shared that the Turkish Banking Sector has developed a sustainability guideline, primarily grounded in principles and regulations such as the 'Environmental and Social Risk Management Manual' prepared by EBRD, 'Equator Principle 4,' 'Sub-sectoral Environmental and Social Guidelines' by EBRD, 'Sustainable Development Goals' by the UN, and Turkish legislation, including the Environmental Impact Assessment (EIA) Regulation, among others.

Mr. Shirish Pathak, Managing Director of Fintelekt Advisory Services, presented a paper on *'Global Factors Impacting AML Compliance in Banking.'* He stated that AML (Anti-Money Laundering) compliance encompasses digital payments, new market entrants, evolving financial crime risks, more demanding consumers, ESG sustainability, and increasing regulation and collaboration.

Mr. Pathak pointed out that with the surge in digital payments, monitoring and detecting suspicious behaviour in

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real-time have become challenging. He emphasized that the compliance office within the fintech sector needs to demonstrate the capability to assess compliance on a holistic basis.



Highlighting the evolution of organized financial crime activity across geographies as a growing financial crime risk, Mr. Pathak stressed the importance of minimizing awareness gaps and educating customers. Real-time collaboration among covered persons is crucial in addressing this challenge.

Mr. Pathak suggested that fostering a culture of preparedness, building the right organizational culture, and setting the tone from the top down, including the board's responsibility, can make employees comfortable, keep management content, and satisfy regulatory requirements.

The three papers were subsequently endorsed by the newly-elected Board members during the 62nd ABA Board of Directors' Meeting held on November 10, 2023.

Training Programs

Short-Term Visiting Program to be hosted by SMBC



The Asian Bankers Association (ABA) would like to cordially invite representatives from member banks to participate in the upcoming Short-Term Visiting Program to be hosted by Sumitomo Mitsui Banking Corporation (SMBC) on February 20-21, 2024 in Tokyo, Japan.

The primary objective of ABA's short-term visiting program is to provide member banks the opportunity to study and undergo training on specific aspects of the operations and facilities of the more advanced host banks (such as SMBC). The idea is to enable the visitors to: (i) enhance and upgrade their technical skills and knowledge in specific areas such as international banking, treasury activities, investment, and foreign exchange in the distinct and peculiar social, economic and business environment of the host country, and (ii) gain first-hand knowledge of the operations and work procedures of the host bank's various line departments.

Proposed Venue

The training program is tentatively schedule to take place at the SMBC Head Office East Tower, which is located at 3-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005.

Tentative Agenda

Day 1 (Feb. 20 Tue)

Time	Activity	Speaker
9:15	Gathering at SMBC East Tower	

9:30-9:45	Opening Remarks (SMBC and Participants)	Mr. Kazuhiro Fukuda , Executive Officer and Deputy Head of Global Banking Unit
9:45-10:55	Introduction (SMBC and Participants)	Mr. Tsuyoshi Yamaguchi , General Manager, Strategic Planning Group, Global Banking Unit
11:00-12:00	About Global Banking Unit	TBC
12:00-13:00	Lunch (Japanese lunch box)	
13:00-13:50	Sustainability (SMBC initiatives for ESG)	Ms. Chivers Yoko , General Manager, Sustainable Solution Dept.
14:00-14:45	Head Office Tour	
15:00-15:50	Market overview by SMBC economist	Mr. Hirofumi Suzuki , Group Head, Planning Dept., Global Markets and Treasury Unit
16:00-16:50	Digital or Compliance related	Mr. Nobuhiko Satake , General Manager, Planning Dept., Retail Banking Unit

Training Programs

16:50-17:00	Greeting from SMBC executive	Mr. Tetsuro Imaeda , Representative Director and Deputy President, Co-Head of Global Banking Unit (TBC)
17:15-18:30	Exchange reception at SMBC East tower	

Day 2 (Feb. 21 Wed)

9:30	Gathering
10:00-12:00	Branch tour
12:00-13:00	TBC
13:45-14:45	Bank of Japan
15:30-16:30	Japanese Bankers Association

Accommodation

SMBC has recommended the following six hotels for participants. You may book directly with the hotel of your choosing:

- Hotel Name: [Palace Hotel Tokyo](#) (Next to SMBC H/O)
Address: 1-1-1, Marunouchi Chiyoda-ku, Tokyo 100-0005 Japan
- Hotel Name: [Marunouchi Hotel](#) (10min walk from SMBC H/O)
Address: 1-6-3, Marunouchi Chiyoda-ku, Tokyo 100-0005, Japan

- Hotel Name: [Hotel Metropolitan Tokyo Marunouchi](#) (12min walk from SMBC H/O)
Address: 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
- Hotel Name: [Mitsui Garden Hotel Otemachi](#) (15min walk from SMBC H/O)
Address: 2-1-2 Uchi-Kanda, Chiyoda-ku, Tokyo, 101-0047, Japan
- Hotel Name: [The Tokyo Station Hotel](#) (15min walk from SMBC H/O)
Address: 1-9-1, Marunouchi Chiyoda-ku Tokyo 100-0005
- Hotel Name: [Hotel Ryumeikan Tokyo](#) (15min walk from SMBC H/O)
Address: 1-3-22, Yaesu Chuo-ku, Tokyo 103-0028 Japan

Participation Fee

There is no fee for ABA members. Non-ABA members will be charged USD 200. Participants shall cover their airfare and hotel accommodation.

We encourage your bank to take advantage of this opportunity to learn from SMBC's experience in several key banking operations. Please request your participant to fill out the [Google Form](#), if possible before January 20, 2024.

Please contact aba@aba.org.tw for any questions on the upcoming Short-Term Visiting Program.

News Updates

H&M joins forces with DBS to finance fashion's decarbonisation



H&M Group, the Swedish multinational behind brands including H&M, Monki, Weekday and COS, has partnered with Singapore's DBS Bank to offer creative financial solutions for

supplying factories that are willing to reduce their carbon emissions.

"Accelerating net zero for supply chains requires the rapid scaling of low-carbon technologies and new, innovative financing models to drive [their] adoption," said Tan Su Shan, group head of DBS' Institutional Banking division.

"DBS is excited to be harnessing our extensive network in Asia, in partnership with H&M Group, to provide access to sustainable financing in a practical way – by directly funding factory

upgrades to help suppliers improve."

Creative finance for demonstrably effective solutions

Under the partnership agreement, DBS will finance factory upgrades to reduce greenhouse gas emissions. Technical support will be provided by Guidehouse, a consultancy firm specialising in sustainability, to ensure that participating suppliers have the necessary knowledge and skills to adopt effective solutions.

Unlike traditional banking mechanisms designed to incentivise green activities, favourable terms will

only be granted for specific projects that have been individually approved by H&M. With this structure in place, the group hopes to avoid any instance of greenwash while ensuring that valid efforts are given the help they deserve.

The programme has already been trialled with Raj Woollen Industries, a textile manufacturer based in Haryana India. Following Guidehouse's advice, the company audited its energy use and identified opportunities for potential improvement. Having secured the approval of H&M, it was awarded a generous loan to finance its installation of solar panels, efficient motors and water-conserving technologies.

"This joint project with H&M Group, Guidehouse, and DBS has been a successful combination of expert energy assessment, close support in selecting the most suitable technology solutions, and an attractive financing model," reported Sumeet Nath, managing partner at Raj Woollen Industries. "We are confident that this will ensure the highest possible results in our decarbonisation journey."

Who is to blame for fashion's footprint?

Fashion has become somewhat notorious for its devastating impacts on the environment. Thought to be the second most polluting industry in the world, it accounts for up to 8% of all greenhouse gas emissions.

Every year, textile production consumes around 98 million tons of non-renewable resources, including 215 trillion litres of fresh water and almost 60 million tons of oil. The land is cleared or converted to make way for the production of natural fibres, resulting in deforestation and the loss of biodiverse ecosystems, while synthetic alternatives increase the demand for fossil fuels.

With negligible rates of recycling, fashion is also responsible for an enormous volume of waste. From the polluted wastewater of manufacturing sites to the steady stream of microplastics being released as consumers launder their clothes, the industry's impacts are felt far and wide.

The blame for fashion's footprint tends to be apportioned to consumer-facing behemoths, such as H&M and its peers, as they are easy targets for conscious consumers and sustainably-minded investors. As larger corporations often present in several countries, these companies are also the first to be affected by new regulations such as mandatory reporting requirements, labelling criteria or extended producer responsibility.

It could be argued that this blame is entirely deserved, given that recognisable brands tend to profit the most from continually increasing their sales. Without accelerated fast fashion business models, overhyped seasonal drops, senseless prices and aspirational marketing, the industry may not have reached its current state.

Practically speaking, however, most of fashion's impacts occur further up in the value chain. Businesses such as H&M Group are not the ones out there consuming resources, manufacturing garments or releasing pollutant waste – they rely on suppliers to do the dirty work for them.

Collaborative effort or avoidance of responsibility?

The model developed by DBS and H&M highlights the

importance of collaboration.

Without DBS' deep pockets, suppliers would struggle to finance their factory upgrades. Without Guidehouse's expertise, they may be unsure of what to actually do with available funds. Without H&M's approval process, money could be used for general purposes rather than being allocated to a specific, verified project.

Each partner has its own role to play while being somewhat dependent on the success of the others. According to H&M, this collaborative approach provides a unique opportunity to build an entire ecosystem of potential solutions, transforming the fashion industry from the ground up. Following the launch of its project with DBS, the fashion giant is calling on other major brands and financial institutions to follow its lead.

Although this rallying call could go some way towards decarbonising fashion supply chains, it could be argued that major brands should be held accountable for their own role in driving unsustainable production and excessive consumption.

"H&M's collaborative financing solutions with DBS, ostensibly a stride towards decarbonizing the fashion supply chain, needs critical inspection," said George Harding-Rolls, director of Policy & Advocacy at EcoAge. "H&M's emissions have continued to rise. This inconvenient truth casts a long shadow over their proclaimed sustainability efforts."

"Their failure to commit to a phase out fossil fuel-based materials or to show a robust commitment to circularity beyond a few projects raises significant questions about the depth and sincerity of their environmental strategy," he continues. "For H&M to truly emerge as a leader in sustainable fashion, they should not only report on renewable energy usage by suppliers but also disclose detailed, facility-level greenhouse gas emissions."

"Beyond this, a decisive action plan to reduce reliance on aviation and a commitment to zero-emission vessels by 2030 are critical. Without these tangible, measurable steps, H&M's current approach can be seen as a classic case of greenwashing – a superficial nod to environmentalism while continuing business as usual. Let's hope we're proven wrong!"

SGV TAKE

Collaboration is undoubtedly critical in solving sustainability challenges. More often than not, the best option can only be found by drawing on the complementary strengths of different parties.

This is particularly relevant when it comes to the decarbonisation of global supply chains. In most industries, the pressure is likely to fall first on larger corporations and household brands that interact with their consumers on a near-daily basis.

Rather than passing this pressure on to the smaller suppliers that can actually make the most difference, companies ought to consider how they can engage in collaborative, mutually beneficial solutions. At the same time, they must take responsibility for their own role in the system and consider how it can best be addressed in order to achieve real transformation.

SG Voice

Fintech helping to drive access to finance for Philippines' MSMEs

Earlier November, Singapore-headquartered fintech Bizbaz, which is backed by HSBC, announced a [strategic partnership](#), with Rizal Commercial Banking Corporation (RCBC) in the Philippines to help drive access to credit for local micro, small and medium sized enterprises (MSMEs).

The partnership has added to Bizbaz's list of similar collaborations with Filipino banks and insurers, a feature of which is the integration of artificial intelligence-driven credit scoring tools into MSMEs' loan application processes.

Through a signature voice-only risk and behavioural assessment technology, a MSME business owner's suitability for loans can be determined based on analysis of their personality with various alternative source inputs.

The process requires an applicant's phone number and could be settled within minutes, simplifying a previously week-long process, Hayk Hakobyan, co-founder of Bizbaz said.

Such AI-driven services, embedded in RCBC's risk assessment process, can help create a profile based on a variety of consumer data and provide a reliable reference for lending.

"This is valuable as it has only been recently that huge amounts of consumer data on their spending habits, their risks, and their interests have become readily available," said Lito Villanueva, Chief Innovations and Inclusion Officer at RCBC.

However, it is a form of psychometrics which is potentially more problematic to use in countries with greater regulation.

Underserved Community

MSMEs make up 99.58% of over a million businesses in the Philippines, half of which are trades, according to data from its Department of Trade and Industry. In total, these entities generates 65.1% of total employment in the Philippines.

However, like many Asian markets, traditional financial institutions in the Philippines have long preferred wholesale lending over retail lending, leaving MSME's funding needs underserved.

75.6% of banking system loans in 2022 were wholesale, according to a loan portfolio breakdown by consulting firm McKinsey. While in neighbouring markets such as Malaysia, the figure was as low as 31.5%.

"There is a distinct need from MSMEs for more accessible and expedited working capital, particularly in light of prevailing global economic uncertainties," said Kin Minor, Provenir's senior vice president, global marketing which also leverages AI technology in processes of risk decisioning.

She also pointed out that in traditional finance, a lack of data for making informed credit decisions makes it hard for institutions to extend loans to MSMEs, which are more volatile in terms of risk profiles.



"MSMEs' expectations encompass simplified access to credit, streamlined application processes, and more adaptable repayment terms."

\$242 billion opportunity

While the government has pushed for digitization of the financial sector, embedded finance offering are crucial to provide the "incremental lift" in the Philippines' financial

inclusion journey, Jeffrey Navarro, Philippines and Guan's country manager at Visa said.

Ahead of Singapore Fintech Festival (SFF) on November 15-17, 2023, the Philippines' president, Ferdinand R. Marcos Jr., said in a speech that the market is ready to adapt new technologies in its finance market in response to challenges, and is aiming to become a hub for digital innovation.

More specifically, increasing the financing access of the MSME community was mentioned in Bangko Sentral ng Pilipinas's (BSP) 2022 annual report, with innovation as an enabler.

"It's great to see that the Philippines is on the road of hitting 50% digital penetration in retail payments and 70% of adult population with transaction accounts. However, embedded finance can further facilitate this acceleration to achieve the 60% and even 70% benchmark by providing financial services where consumers are normally exposed to," Navarro said.

He noted that when it comes to embedded finance solutions for SMEs, simple loan application via services placed in websites or applications is one of the key use cases.

Research from Visa predicted embedded finance to unlock over \$242 billion in market opportunity across Asia Pacific by 2025, among which democratizing MSMEs' credit access will take up the biggest share of \$115 billion of market value.

Citing another survey, which suggested that over 85% of MSMEs have expressed interest in applying for loans, Navarro said: "The biggest innovation happens where there is the biggest gap."

Villanueva at RCBC echoed this view, agreeing that embedded finance is playing an important role in accelerating the country's financial inclusion goals.

"When people see that they can manage finances, purchase services, and goods, pay bills, and access credit in just one application, they are likely to be onboarded and stay loyal to the application," he said.

Transformation

The [Fintech Philippines Report 2023](#) suggested that among the almost 300 fintech players in the archipelago, 21% work in lending, constituting the second largest market segment after payments (38%).

On the other side, traditional banks with legacy

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technology and structures are trying to keep up.

“Banks know they need to adopt a fintech approach, with some turning for banking-as-a-platform (BaaP), where a bank integrates services from fintechs to augment their own offerings,” said Kanv Pandit, Apac group managing director, banking solutions, at fintech services provider FIS.

Banking-as-a-service (BaaS), he said, is also one of the main ways for traditional banks to deliver embedded finance, harnessing the power of cloud and application programming interfaces (APIs) in the process.

“With fintech potentially touching every aspect of a financial transaction, traditional players have no choice but to embrace new opportunities to expand their offerings and improve the customer experience,” he noted.

Traditional banks are devoting large amounts of capital into fintech businesses, either to leverage innovative fintech solutions or to tackle legacy issues, said Shaun Kraft, Chief Financial Officer (CFO) and Chief Operating Officer (COO) at MoneyHero Group.

The emergence of digital banks constitutes another market trend, as many of them target traditionally underserved communities through digitised solutions by design, he added.

Given a strong transformation momentum, digital infrastructure in the Philippines could be better, said Navarro at Visa. As one of the solutions, he suggested closer works with telecommunication providers in the country.

Ernest Cu, President and CEO of Filipino telco giant Globe Group said in a discussion that apart from offering internet access to the larger domestic population, the firm is leveraging its consumer base and distribution channels to power digitization.

“We all see the public’s understanding deepening, and more secure infrastructure created for innovative technology on the way forward,” he said.

The Philippines’ internet penetration rate stood at 73.1% at the start of 2023, according to Data Portal. The figure has been a significant increase from only 49.8% some three years ago, thanks to the government’s push towards digitization, but still falls short when comparing to Malaysia’s 96.8%.

Against a broader digitization backdrop, the Department of Budget and Management (DBM) vowed in September to allocate PHP38.75 billion (\$700 million) for the market’s digitization efforts in 2024, up 60.6% from 2023’s funding.

The package will be distributed among 10 government agencies, including those overseeing finance, the national economy, and information and communications technology.

Minor at Provenir said: “In contrast to other Southeast Asian markets, the Philippines requires an enhanced infrastructure and collaborative efforts between traditional institutions, fintechs, and the government to effectively address the finance gap.”

“The geographical layout of numerous islands in the Philippines poses a unique challenge,” she added.

“Consequently, the country places a greater reliance on digital banking and fintech solutions to facilitate financial inclusion, especially in regions where traditional access is limited.”

Corporate Treasurer

Singapore Ramps Up National AI Strategy

Singapore plans to triple its pool of artificial intelligence (AI) experts to 15,000 as part of its ambitious national AI strategy.

Singapore also pledged under its AI strategy to increase government incentives for the sector, including by backing accelerator programs for AI startups and encouraging companies to set up AI "centres of excellence."

Home to the regional headquarters of global tech majors including Google and Microsoft, the city state also plans to boost its available high-performance computing resources by securing access through partnerships with chipmakers and cloud service providers.

"We plan to ramp up local AI training programmes and operate a supply of graphics processing units (GPUs) to be available to the country's researchers. The experts include machine-learning scientists and engineers" commented Singapore Deputy Prime Minister Lawrence Wong.

East & Partners

Japan Metaverse Economic Zone “RYUGUKOKU®” Launch of Demonstration Experiments for Experiencing Corporate Products in Virtual Spaces

JP UNIVERSE Inc., Takenaka Corporation, TSI HOLDINGS CO., LTD., Toppan Inc., MITSUBISHI MOTORS CORPORATION, Sumitomo Mitsui Financial Group, Inc., and Yamaha Corporation, announced on December 14 that they have launched a demonstration experiment to enable users to experience corporate products and content in the virtual space RYUGUKOKU®, an RPG project born out of the Japan Metaverse Economic Zone concept. In this experiment, we will work with partner companies to create a better game/metaverse experience to complement the corporate product experience and verify the technology to incorporate it into virtual spaces.

The world of “RYUGUKOKU®” allows users to participate in adventures with their favorite avatars and to use a variety of real-life products provided by the corporations in their play time. For users, it offers an opportunity to casually experience

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a company's products and content in the Game and Metaverse worlds, and for companies, it offers an opportunity to engage with new customers by supporting their users' gaming experiences.

These demonstration experiments will not only physically reproduce the company's products inside the space, but also experiment with how

they are used and played with, to develop the Game/ Metaverse worlds into a new marketing venue for the companies.

Japan Metaverse Economic Zone: An ecosystem formed by interoperability among different Metaverse services and Metaverse platforms utilizing the open Metaverse infrastructure "RYUGUKOKU®." On February 2023,

JCB Co., Ltd., Mizuho Financial Group, Sumitomo Mitsui Financial Group, Inc., Mitsubishi UFJ Financial Group, Inc., Resona Holdings, Inc., Sampo Japan Insurance Inc., Toppan Inc., Fujitsu Limited, Mitsubishi Corporation and TBT Lab Inc. entered into a basic agreement.

SMBC

Special Features

Tech, AI Investment could ease APAC Finance and Accounting Talent Crunch

Firms across Asia Pacific (APAC) in multiple sectors are facing challenges hiring and retaining finance and accounting (F&A) talent.

According to a recent study led by the Institute of Management Accountants (IMA) and the ASEAN Federation of Accountants (AFA), A&F professionals are leaving employers at a "high rate".

27% of finance and accounting professionals surveyed intend to leave their current employer in the next 12 months, with the same percentage saying they left a company in the last two years. Alarming, 10% of respondents said they expect to leave the profession altogether.

For those intending to leave with a year, the highest number of professionals were in Australia at 38%, with Indonesia next at 30% and Thailand at 28%. Different reasons were given such as training, culture (especially in Japan), pay, work-from-home (WFH) and "job satisfaction" – which was especially prevalent in Indonesia.

For example, 35% cited not having enough opportunities to develop, while 45% looking to leave the profession in the next 12 months cited this as their reasoning. The survey suggests that flexible working, including a hybrid set-up or fully, could also help lower employee turnover.

AI, Digital Opportunity

One opportunity to relieve pressure on A&F professionals is to use more technology such as artificial intelligence (AI) in order to enable staff and to create better opportunities for the business. The topic recently came up for discussion in Singapore.

The idea is to use systems such as AI financial forecasting and insights to help team members focus on a more collaborative approach. Chief technology officers (CTOs) and chief financial officers (CFOs) could work together to help transform the F&A functions.

Nikhil Parambath, regional vice president, Asia, of cloud software provider BlackLine, told Corporate Treasurer. "Over the past year, the emergence of generative AI has prompted

finance and treasury teams to take a closer look at their current processes, and consider how they can reimagine the function to better support the business."

Singapore-based Parambath added: "While technologies such as cloud computing have existed for a while now, financial organisations have traditionally been hesitant to embark on large-scale digitalisation initiatives for fear of disrupting what seems to be working well. However, it's becoming more apparent that the ability to leverage technology will be critical in strengthening financial agility and resilience, as well as helping to mitigate Asia's longstanding F&A talent crunch."

One way to help drive the transition is for CFOs to establish an AI roadmap, including the investment to match.

"In order to facilitate a smooth transformation, CFOs can start establishing a roadmap that envisions the successful integration of AI and technology in finance and treasury teams. This has to be accompanied by investments in the digital infrastructure setup and skillsets of the workforce to help them work with technologies effectively. As with any change management process, open and two-way communication will be crucial in addressing potential concerns and challenges along the way," continued Parambath.

For any company looking to embark upon increased digitalisation, data security will also be a key part of the mix moving forward.

"Teams should also not neglect the importance of data security measures during this process. With cloud computing, for example, teams are able to store and access financial data online from anywhere. It is recommended that precautions are taken to protect the organisation from unauthorized access, which could include strong password policies, and choosing software partners who are privacy compliant," continued Parambath.

The survey by IMA and AFA was conducted with 1,761 former and accounting professionals across 14 countries Asia Pacific.

Corporate Treasurer

COP28 Highlighted by Carbon Markets and Climate Finance Progress

The need to make climate finance more accessible and affordable along with emerging economies emergent carbon market initiatives made headlines at the COP28 climate summit in Dubai.

[FS Sustainability](#) reports the UAE Declaration of Leaders on a Global Climate Finance Framework was endorsed by 12 countries, including the UK and the US, to showcase a new financial architecture to make financing available, accessible, and affordable noting Australia was not a signatory.

Ministers and Indigenous Peoples from Brazil and the Democratic Republic of Congo pledged their support to host pilot carbon projects generating REDD+ credits under a new standard, established by three voluntary forest carbon stakeholders.

Parties have united in solidarity, and inspired action,

mobilizing over US\$83 billion in funding commitments and building the momentum required to keep 1.5 degrees within reach.

US special climate envoy John Kerry launched an international engagement plan to boost nuclear fusion, stating that the emissions-free technology could become a vital tool in the fight against climate change. The cutting edge technology could have an important advantage over today's nuclear fission plants by producing huge amounts of unlimited power without long-lasting radioactive waste.

"The plan involves 35 nations and focuses on research and development, supply chain issues, regulation and safety. There is potential in fusion to revolutionise our world" Kerry declared.

East & Partners

SAR is playing a unique role in nation's transition to low-carbon economy

By Oriol Caudevilla, Fintech Adviser and Researcher low-carbon economy

The United Nations' resident coordinator in China, Siddharth Chatterjee, while addressing the Hong Kong Financial Forum 2023 on November 27, said that the city has a unique role to play as China's offshore capital hub for green finance, as the country accelerates environmentally friendly projects in its transition to a low-carbon economy.

More specifically, Chatterjee mentioned that, "while China is working to address its environmental and climate challenges, it remains the largest emitter of greenhouse gases". He added: "China must build on the substantial progress it has made in green finance by expanding and accelerating projects with environmental benefits. This is where Hong Kong has a unique role to play as China's offshore capital hub, for both traditional finance, and green finance."

Before proceeding, it is important to define green finance. According to the UN Environment Program, green finance aims to "increase the level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities. A key part of this is to better manage environmental and social risks, take up opportunities that bring both a decent rate of return and environmental benefit, and deliver greater accountability." The pandemic showed us (if there was any doubt before) that achieving sustainable development is more necessary than it has ever been.

Actually, what Chatterjee mentioned in the Hong Kong Financial Forum 2023 goes in line with what I have mentioned in some of my previous articles regarding Hong Kong becoming

a regional hub for green technology and finance.

Hong Kong's interest in strengthening its position as a greentech and green finance hub is not new. As I mentioned in my column, Hong Kong Rightfully Becoming a Green Finance Hub (April 23, 2021, China Daily), by embracing green finance even more, Hong Kong would be consistent with China's goal of reaching its carbon emissions peak before 2030 and becoming carbon neutral before 2060, as listed in the 14th Five-Year Plan (2021-25) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035.

Both of China's objectives are crucial for achieving green development. By way of comparison, the US and the European Union aim to achieve carbon neutrality by 2050. If they meet their targets, it will have taken the US around 45 years and the EU around 60 years to move from their carbon emissions peak to achieve neutrality, but China plans to do it in just 30 years, which is a very ambitious, yet reachable, goal.

Therefore, Hong Kong tapping into green and sustainable finance is not only beneficial for the special administrative region, but also consistent with China's objective of paying enormous attention to sustainability and climate change.

Green bond markets have been increasing in size and value for more than a decade. Since the first green bond market opened in 2007, more than \$1 trillion worth of green bonds have been issued globally as investors have identified a sustainable and profitable investment option. As a matter of fact, oversubscription, where demand exceeds the number of green

bonds available, has become the norm for green bond issuances.

Hong Kong is, thus far, quite advanced when it comes to embracing the opportunities offered by green finance and green bonds.

In June 2018, the HKSAR government launched the Green Bond Grant Scheme to subsidize eligible green bond issuers in obtaining certification under the Hong Kong Quality Assurance Agency's Green Finance Certification Scheme. In September 2018, the Hong Kong Green Finance Association was set up, bringing together some 100 market practitioners and business front runners to promote the HKSAR as a green finance capital.

And, more recently, in February 2023, the Hong Kong Monetary Authority confirmed its first HK\$800 million (\$102 million) tokenized green bond issuance. The one-year bond was priced at 4.05 percent and distributed by a syndicate of four banks: Bank of China (HK), Credit Agricole CIB, HSBC and Goldman Sachs. The bond used the Goldman Sachs Digital Asset Platform which runs on a permissioned blockchain, making Hong Kong the first government in the world to issue a tokenized green bond — which shows once again that Hong Kong is at the forefront of new technologies and finance.

Another speaker at the Hong Kong Financial Forum 2023, Financial Secretary Paul Chan Mo-po, said that tackling

climate change and shifting to a sustainable economic model will require a huge amount of investment. “Asia’s green transformation will require around \$66 trillion in investment over the next 30 years, highlighting the huge demand for green financing in the region,” said Chan. “With such large demand for (green) financing, we cannot only rely on the government but must utilize market resources to achieve this.”

Chatterjee also highlighted the Industrial and Commercial Bank of China's issuance of the world's first green interbank regular cooperation bond to fund green Belt and Road Initiative projects in 2019. The bond was denominated in yuan, US dollars and euros totaling \$2.2 billion. “The example of China embracing green financing can serve as an example of how other countries and the private sector can embrace financial sustainability while protecting the environment,” said Chatterjee.

To sum up, while Hong Kong remains and will remain one of the most important financial centers in the world, it seems the perfect time for the city to promote its role as a greentech and green finance hub. The investment will definitely pay off. As Chan mentioned, there is a huge demand for green financing in the region, I am sure the investment will pay off, given Hong Kong's unique role within China and the Guangdong-Hong Kong-Macao Greater Bay Area in particular.

China Daily

Global financial system underprepared to deal with cyberattacks

The ransomware attack on the Industrial and Commercial Bank of China, which resulted in a disrupted US Treasury market in November, provides yet another example of the issues the financial sector faces when dealing with cyberattacks.

Cyberattacks pose substantive risks to individual institutions and the financial system at large. Attacks – from state actors, criminal groups or individual hackers – can take the form of cash theft, data corruption, payment disruption and leakage of the often highly sensitive information financial institutions hold.

The transmission of such cyberattacks into threats to financial stability primarily occurs through a breakdown of trust. A loss of confidence in financial markets and the economy poses liquidity risks, spurring bank runs, capital flight and broad market panic. Such a contagion could create losses and significant price fluctuations.

Yet there are additional transmission risks that are under-discussed. Chief among them is the issue of financial market concentration. Many emerging markets are digitalising their financial sectors without adequate protection against cybercrime. If developed markets can more adequately protect their financial system from attacks, this might spur a movement of activity towards those markets and their local currencies.

At an individual bank level, the mechanism is the same. Banks with worse cybersecurity protections may see

their demand fall in favour of those with better records. This may kindle trends observed in the US, where smaller regional banks have teetered as major institutions experience an influx of demand. These shifts were similarly spurred by a loss of confidence in smaller, more risk-prone banks.

The irony is that this concentration – at both the bank and individual country market level – poses new risks. Although it may be harder to attack larger and better-resourced institutions and markets, the impact of a hacker successfully doing so would be far more damaging, especially amid higher concentration.

Financial firms are investing heavily in cybersecurity. Yet artificial intelligence-enabled malware and hacking tools can be a leveller. Amid a rapidly changing technological landscape, there is a risk that banks will not adequately anticipate the methods of attack that hackers will use.

Cybercrime risk mitigation can involve a cocktail of encryption, multi-factor authentication, hardware security modules, collaboration with cybersecurity consultants or exports and the use of the cloud. Though it is difficult to draw neat comparisons, many central banks appear to be lagging in the development of these sorts of rigorous cybersecurity provisions. However, there is a lot of variation across institutions, markets and regions. Some financial institutions additionally offer stress testing, which involves assessing how rapidly they could deploy liquidity, capital and key services in the event of a compromising

Special Features

cyberattack.

What should be done?

Cybersecurity should be included explicitly within assessments of financial stability risk. Engaging in cybersecurity stress testing is a good start, but more needs to be done to quantify the potential impact of a major attack. Better data and modelling techniques are likely to help since they allow institutions to understand the costs of attacks more effectively and determine how best to respond.

Relatedly, there is a need for greater regulatory convergence to create international co-operation and shore up the financial system in the face of growing attacks, which would hurt the global flow of capital and trade. Sharing information – between countries as well as between the private and public sectors – can help protect institutions from attacks. Overcoming barriers emerging from uneven regulation could involve smoothing out global national security and data protection laws.

Perhaps most important for financial firms and central banks is to seriously consider their response in the event of a successful attack. Complete deterrence of all cyberattacks may be impossible using existing technology. Yet financial institutions can help protect global financial stability in the face of such attacks by ensuring that they will always be able to resume operations quickly. Doing so can avert some of the risks associated with market panic and loss of confidence, as well as the implications for liquidity and capital flows. The importance of adopting such tests may be greatest for smaller markets where attacks could be more likely to succeed – due to more limited infrastructure – and spur capital flight.

Greater deterrence may help with this. Global efforts – such as identifying and disrupting cyberattackers – could make cybercrime riskier and more expensive.

AI could also be leveraged. Cyber criminals are using

AI tools to bolster the effectiveness of cyberattacks. As these AI systems become more complex and robust, financial institutions may find that developing their AI-enabled cybersecurity system is the best way to combat attacks from weaker AIs. Given the speed and sophistication with which the most advanced AI systems can hack, it may be that the best police for an AI hacker is a more powerful AI.

Finally, blockchain-based initiatives theoretically could help protect financial institutions from cybercrime. Distributed ledger technology provides significant protections that other payment systems do not. Proposals such as Worldcoin – a cryptocurrency project – could greatly reduce fraud through biometric-based payment verification. Yet there are risks to the further deployment of blockchain-based solutions.

There is considerable heterogeneity across the financial system. Large banks tend to have highly advanced cybersecurity provisions, while smaller ones are likely to have ‘weaker’ systems because they have invested less in protections. Yet determining what counts as a ‘strong’ versus ‘weak’ system is not always obvious. There is similar variation across global central banks, with smaller market central banks having less robust cybersecurity.

Cybersecurity regulations and safety at the global and individual financial market levels remain underdeveloped. Over half of central banks or supervisory authorities do not have a national cyber strategy for the financial sector, and just under half have no cybercrime regulations. Regulatory harmonisation between countries remains weak. However, some global institutions – such as the Financial Stability Board, Committee on Payments and Market Infrastructure and Basel Committee – have begun to strengthen coordination and foster convergence in regulation.

OMFIF

Among Member Banks

Modefin & Bank of Bhutan win the Most Agile Deployment Award at IBSi GFIA 2023

Modefin and the Bank of Bhutan have been awarded the Most Agile Deployment Award under the Most Innovative API / Open Banking Model at the IBSi Global FinTech Innovation Awards 2023.

The IBSi Global FinTech Innovation Awards 2023 seeks to identify and honour banks, financial institutions, and technology players’ excellence in driving impact through banking technology implementations and innovations using emerging technologies. The Global FinTech Innovation Awards 2023 saw IBS Intelligence evaluate 250 nominations across 106 banks from 49 countries across 30 categories all over the globe.

“Modefin’s API manager has simplified the process of designing, deploying and managing Bank of Bhutan’s APIs offering security, monitoring, analytics and various other features enhancing the overall functionality and efficiency of the bank’s



APIs.” said, Nikhil Gokhale, Director – Research & Digital Properties at IBS Intelligence. He congratulated Modefin for their win in the category ‘Most Innovative API / Open Banking Model: Most Agile Deployment’.

Dorji Kadin, CEO of Bank of Bhutan, shared, “This award is a testament to the partnership between our two organizations and the dedication of both teams to delivering excellence in the banking industry. We look forward to continuing our work together to help achieve our shared goals.”

Amarnath Chowdary, MD at Modefin, said, “We are overjoyed to receive this recognition for our brand-new Open API Manager platform at ModeFin, which has played a vital role in advancing the adoption of open banking. As financial institutions prioritize building ecosystems and driving app-driven economies, open banking is a critical component, and we are excited that our work in this field has been acknowledged. This honour is a testament to our team’s dedication to delivering innovative solutions that help drive financial inclusion.”

IBS Intelligence

Among Member Banks

BEA Wins Multiple Awards on the Back of BEA GOAL Achievements of All-In-One Digital Account Resonate with Judges



The Bank of East Asia, Limited ("BEA" or "the Bank") is pleased to announce that it has received several accolades for BEA GOAL, its all-in-one digital account targeting the new generation. It has won two Asian Banking & Finance Retail Banking Awards in 2023: Domestic Retail Bank of the Year – Hong Kong and Digital Consumer Banking Initiative of the Year – Hong Kong. In addition, the Bank took home the prize for Best Frictionless Customer Experience Initiative in Hong Kong in The Asian Banker Hong Kong Awards 2023.

Ms Shirley Wong, General Manager and Head of Personal Banking Division at BEA, said, "We are honoured that the business growth of the retail bank has been recognised. This is a fitting tribute to the strong results the Bank has been achieving in revamping its services, growing its business, and driving its customer segmentation strategy."

BEA launched its fully digital all-in-one BEA GOAL account last year, catering to digitally savvy customers and empowering them to pursue their individual financial goals through a wide array of accessible financial products with low entry thresholds. "The number of BEA GOAL customers kept

growing impressively in 2023. As a whole, the number of digital transactions per BEA GOAL customer conducted in the past twelve months was on average more than double the number by other retail segment customers. These figures provide a clear indication of the strong demand by young customers for digital finance. By delivering a personalised and interactive user experience, we actively foster the adoption of the Bank's services among the digital generation, thereby nurturing customer loyalty and strengthening the Bank's retail customer base in the long term, ensuring its continued growth," adds Wong.

The success of BEA GOAL has left a lasting impression on the industry, garnering notable accolades earlier this year including the Bloomberg Businessweek Chinese Edition Financial Institution Awards and the Global Brands Magazine Global Brand Awards. The Bank also won Bronze for Best Campaign – Banking & Finance in the MobEx Awards 2023 by the Marketing-Interactive Publication.

BEA fully embraces its digital development. Through advanced technologies and data analytics tools, combined with the use of artificial intelligence and machine learning, it will keep offering innovative and convenient digital financial services and provides BEA GOAL customers with an unparalleled customer experience.

BEA

Shanghai Commercial Bank supports Thai visitors to use PromptPay



Shanghai Commercial Bank (the "Bank") supports and participates in "FPS x PromptPay QR Payment", a new service launched by the Hong Kong Monetary Authority, allowing Thai visitors in Hong Kong to use PromptPay for payments.

Starting December 4, Thai visitors in Hong Kong can use Thailand's PromptPay to pay at the Bank's FPS merchants (e.g. dining, physical stores) by scanning FPS QR codes, making the transaction process fast and convenient. Merchants do not need to upgrade their systems, nor do they need to apply for or

pay additional fees. The new service provides merchants and Thai visitors with a new, safe and convenient payment channel, which will enhance customer experience in retail payment, as well as promote economic development and business opportunities in Hong Kong and Thailand.

Shanghai Commercial Bank strives to meet its customers' needs with a wide range of banking products and services, all designed and provided with its motto, "For Personalized Service" in mind. The Bank also offers various mortgages, loans and insurance services to meet customers' financial and protection needs.

Shanghai Commercial Bank

SBI CBO Recruitment 2023

SBI informed that the selected candidates through the recruitment process will be posted in the applied circle only.



The State Bank of India (SBI) has closed the window for candidates to register for the openings announced for the post

of Circle Based Officers (CBO). A total of 5,280 vacancies were announced in an official notification and thereby beginning the registration process for the recruitment drive.

The recruitment process for the SBI CBO post will be held in three phases: (i) Online Examination, (ii) Screening, (iii) Interview.

The Hindustan Times

Among Member Banks

Daiwa Securities partners with MUFG's Progmat for tokenized bonds



Daiwa Securities, SBI R3 and Progmat are partnering to create an end-to-end experience for tokenized bond issuance. Daiwa has developed a bond marketing pre-issuance solution using R3's Corda enterprise blockchain. And it will integrate with Progmat, the tokenization platform founded by MUFG with backing from SMBC, Mizuho, JPX, SBI and others.

Daiwa's bond solution and Progmat use Corda, hence the involvement of SBI R3. Both Daiwa and Progmat believe the bond marketing solution is not an investment banking value added service and hence hope that other securities firms such as Nomura or SMBC Nikko Securities might adopt the offering, the Nikkei reported.

Daiwa's Bianca solution aims to automate a very

manual process. In pre marketing, the investment bank contacts investors via phone, email or chat to confirm interest in the bond issuance. The result is usually compiled using a spreadsheet. Future planned features include finalizing investor allocations.

Progmat already has a bond collaboration with NTT Data, which owns Japan Information Processing, the dominant conventional bond issuance and payment agent solution. NTT Data is one of Progmat's investors.

Meanwhile, during the week of December 4, Daiwa Securities announced plans to trial bond issuance on public blockchains. At the time, we noted that Daiwa didn't have a collaboration with either of the main institutional tokenization platforms – Progmat and Nomura-founded BOOSTRY. Now it does.

Ledger Insights

Eisai and Mizuho Sign Sustainability-Linked Loan Agreement



Eisai Co., Ltd., a Japanese pharmaceutical company ("Eisai") and Mizuho Bank, Ltd. ("Mizuho Bank") announced that the companies have signed a sustainability-linked syndicated loan agreement ("the agreement"), which comes into effect on December 13.

Sustainability-linked loans are a type of loan which incentivizes borrowers to achieve sustainability performance targets ("SPTs") by linking borrowing terms and conditions, such as interest rates, to the achievement of the SPTs, seeking to drive environmental and socially sustainable economic activities and economic growth.

Under the concept of human health care (hhc), Eisai aims to effectively achieve social good in the form of relieving anxiety over health and reducing health disparities. through activities such as innovative drug discovery in the fields of dementia, cancer, and global health. Particularly in the domain of dementia, Eisai has developed "LEQEMBI®", a new drug for Alzheimer's disease (AD), which obtained approval in the US and Japan this year. By delivering LEQEMBI to people with early AD around the world, Eisai aims not only to improve their health outcomes but also contribute to address social issues regarding AD, including long term nursing care.

Eisai has set social impact targets for LEQEMBI in the U.S. and Japan based on its social value in terms of its effects on health outcomes and on cost reductions in nursing care and other expenses, and has established these as the SPTs of this agreement. With the funds raised through this agreement, Eisai will promote the creation of social impact through the elimination of diseases of poverty (neglected tropical diseases,

malaria, tuberculosis, etc.), in addition to the establishment of programs to offer LEQEMBI to low-income populations for free in the U.S. and emerging countries, and the building of dementia ecosystems.

This agreement has undergone a third-party review by Rating and Investment Information, Inc. (R&I) regarding its compliance with the Sustainability-Linked Loan Principles issued by the Loan Market Association and other organizations, as well as the Green Loan and Sustainability-Linked Loan Guidelines issued by Japan's Ministry of the Environment.

Mizuho Bank is committed to the Mizuho group's purpose of "proactively innovate together with our clients for a prosperous and sustainable future", with the desire to co-create a prosperous future with clients by supporting their endeavors and challenging ourselves. Mizuho's new medium-term business plan, which began in FY2023, is a three-year journey connecting various initiatives and co-creating value-added solutions in order to support our clients and solve social issues. As part of this, we are seeking out ways to have positive social impacts in areas such as realization of a more inclusive society and improvement in Japan's global competitiveness.

Mizuho Bank's role in connecting initiatives and creating social impact and outcomes is to support sustainability transformation from multiple angles by working together to find solutions for the development of clients and society from a medium- to long-term perspective.

Mizuho Bank will continue working together with our clients to achieve sustainability transformation by providing sustainable finance that creates a flow of funds to address environmental and social issues, and by providing solutions that utilize knowledge and functions that go beyond finance.

Mizuho Bank

Among Member Banks

SMBC's New Composition of Shareholders of PT Oto Multiartha and PT Summit Oto Finance in Indonesia



Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation and Sumitomo Corporation announced that SMBC and SC Group will sell the stock of PT Oto Multiartha and PT Summit Oto Finance respectively, to PT BANK BTPN Tbk, a subsidiary of SMBC.

After completion of the relevant transactions, which is subjected to approval of the relevant authorities, the ownership of each company in the OTO Group will be 51.0% for Bank BTPN, 34.0% for S C Group, and 15.0% for PT. Sinar Mas

Multiartha Tbk.

SMBC Group and SC Group have positioned OTO Group as a joint business in the field of multi finance business in Indonesia, and agreed this change of shareholders composition after the consideration of the OTO Group's business plan and operations in future.

SMBC Group and SC Group aim to strengthen the Bank BTPN's and OTO Group's business basement by utilizing knowledge and networks of the groups to realize a sustainable expansion and growth strategy while capturing the growth of four wheel and two wheel financing market in Indonesia and considering the shift to EVs and a decarbonized society.

SMBC

Maybank named best bank in Asia Pacific and Singapore at The Banker's Bank of the Year Awards

Maybank, Southeast Asia's fourth largest bank by assets won top awards at The Banker's Bank of the Year Award 2023, securing two prestigious awards as Bank of the Year in Asia Pacific and Singapore respectively.



In a highly competitive field amongst financial institutions from over 120 countries worldwide, Maybank emerged as a standout performer - solidifying its maiden win in both categories.

"As we continue to witness global economic uncertainties, Maybank remains highly committed to excellence, innovation, and customer-centric banking solutions. This will be driven by our relentless deepening of M25+ strategy execution via the five strategic thrusts of intensifying customer centricity, accelerating digitalisation and technological modernisation, strengthening Maybank's business presence across the region, driving our leadership position in the sustainability agenda and claiming our global leadership in Islamic Banking."

"We would like to thank our customers, partners, and stakeholders for their continued support, Maybankers for their hard work and dedication that has resulted to commendable traction across our businesses. These awards highlight Maybank's heightened agility and dedication to driving positive change, embracing sustainability, maintaining robust risk management practices and fostering financial inclusion - anchored by our mission of Humanising Financial Services."

Dr John Lee, Country CEO & CEO of Maybank Singapore said, "The accolade of being named Bank of the Year for our Global Banking business in Singapore serves as a resounding testament to our unique proposition and commitment in serving the complex needs of our clients in ASEAN and globally."

"Our initiatives are exemplifying ambitions of setting new benchmarks for sustainable and ethically-driven transactions, as well as to become the preferred partner for sustainable financing in ASEAN."

"Leveraging Singapore as a financial hub, our Global Banking has taken the lead to pioneer Shariah-compliant sustainable financing deals, the first in various sectors, forging partnerships with clients on their decarbonisation journey. In particular, Maybank aspires to be the go-to institution under our Malaysia-Singapore Corridor strategy, which is supported by dedicated coverage teams in both countries."

Previously, Maybank was named Bank of the Year for Malaysia in 2018, 2020 and 2022 while Maybank Islamic was crowned Global Islamic Bank of the Year for three consecutive years between 2020 and 2022.

The Banker's "Bank of the Year" awards are widely considered as the gold standard in the world of finance, and it recognises financial institutions for delivering returns, gaining strategic advantages and effectively serving their markets. The scope of the awards covers more than 120 countries worldwide and are judged by a panel of editors including regional and sector specialists.

Maybank

Among Member Banks

Bank of Maldives Continues its Wheelchair Donation Program with 30 Additional Wheelchairs



BANK OF MALDIVES

Bank of Maldives continues its annual wheelchair donation program targeted for people with mobility impairments across the Maldives with a donation of an additional 30 wheelchairs this year. With this donation, the program which began in 2017 has now seen the successful delivery of over 230 wheelchairs to over 90 islands.

Bank of Maldives CEO, Karl Stumke commented, "We are incredibly pleased to be able to make a difference in improving the lives of so many individuals and their families. The wheelchair donation program has been instrumental in enhancing the quality of life for people with disabilities and

is a proud investment we make in the communities we serve. I would like to express my sincere thanks to our staff for their commitment in delivering the wheelchairs across the nation."

In addition to the motorized wheelchairs for individuals who are able to independently operate the chairs, the Bank has this year added special manual wheelchairs to its donation for children and adults who are dependent on others to get around.

The Bank continues to support people with disabilities through various programs. The Bank is currently running a project for the refurbishment and upgrading of Home for People with Special Needs (HPSN) in K. Guraidhoo, and this year, it has partnered with Maldives Association of Persons with Disabilities (MAPD) and Maldives Deaf Association to carry out their annual programs.

Bank of Maldives News

RCBC lands among Asia's top community-centric companies list



The Asia Corporate Excellence & Sustainability Awards (ACES) 2023, which is organized by MORS Group, has listed anew the Rizal Commercial Banking Corp. (RCBC) among the "Top Community Centric Companies in Asia."

The pronouncement by ACES, a prestigious award-giving body that recognizes top leadership and sustainability players across Asia, was made last September 2023.

Since its inauguration in 2014, the ACES Awards has awarded over 331 companies, with a combined investment of \$16.5 billion in sustainability and revenues of \$1.23 trillion, across 17 countries within the region.

This achievement underscores RCBC's strong commitment to fostering a sustainable community and its dedication to making a positive impact in the Philippines. The award recognizes companies whose efforts are "aligned with core business activities and designed to promote independent, socioeconomically self-sufficient communities." In 2021,

ACES also named RCBC as one of the Top Community Centric Companies in Asia.

In its 2023 evaluation report, ACES highlighted the integration of sustainability in the Bank's core business, including through risk governance and sustainable finance. The report also commended the incorporation of ESG considerations as part of RCBC's business operation across its value chain given its disclosure of financed emissions as well as its target for the renewable energy portfolio to outpace its coal exposure by the end of 2024.

The ACES evaluation report also acknowledged how RCBC's community-focused initiatives closely align with its sustainability strategy with a particular emphasis on enhancing digital financial inclusion services and empowering the unbanked and underserved in the country. These products – including Rizal MicroBank's lending programs, DiskarTech, Go Digital, and ATM Go – not only promote financial inclusion but also encourage innovations that are key to sustainable economic growth.

Yahoo Finance

DBS Foundation partners the Ministry of Social and Family Development



DBS Foundation announced on December 9 a multi-pronged partnership with the Ministry of Social and Family Development (MSF) to improve the lives and livelihoods of lower-income families with children living in rental flats, by equipping them with the support, know-how and opportunities to break out of their present circumstances.

This is the first initiative that comes under the bank's SGD 1 billion pledge to uplift vulnerable segments of society over the coming decade. First announced in August, this pledge involves DBS committing up to SGD 100 million per year over the next ten years to improve lives and livelihoods of the low-income and underprivileged, and foster a more inclusive society. This pledge augments existing community initiatives by

the bank and DBS Foundation.

Under the partnership, DBS will commit SGD 30 million over three years to fund two ComLink+ packages, which are designed to address ComLink+ families' concerns around home ownership and enable their children's early education. In addition, DBS will contribute its financial expertise and resources to empower ComLink+ families - including their children - and ComLink+ Family Coaches with the know-how to progress towards better financial circumstances. The bank will also mobilise 400 employees to serve as volunteer befrienders for 200 ComLink+ families.

The DBS Foundation X MSF partnership will help uplift ComLink+ families and reinforce their efforts to make sustainable progress towards their long-term goals, so that they can achieve financial stability and resilience.

DBS

Among Member Banks

UOB LockAway Account protects consumers' savings against digital threats



UOB on November 24 announced the UOB LockAway Account, a savings account that ringfences customers' hard-earned monies from unauthorised digital intrusion and rash decisions, enabling them to bank with peace of mind while earning interest on the bank balances.

Funds deposited in the UOB LockAway Account will be "locked away" from all online transactions such as digital payments and outbound transfers. The enhanced account security better protects customers against digital threats, and protects them from reacting impulsively to scammer demands. Customers can only access their locked-up funds at the Bank's branches, by presenting their identity cards or passports to branch staff for verification before any transactions can be made. UOB is also evaluating ATM withdrawals as an additional mode of cash dispensation, and may introduce it in the near future subject to customer feedback.

"With its secured mode of withdrawal, the UOB LockAway Account acts as an effective safeguard against online unauthorised penetration, and serves as a safety check for customers. Our branch staff will also act as a line of defence as the custodians of customers' monies, to reduce the probability

of seemingly fraudulent transactions," said Ms Jacquelyn Tan, Head, Group Personal Financial Services, UOB.

"That said, our customers remain the singular most effective defence and we strongly urge them to always exercise vigilance and caution. They can take proactive steps today to protect themselves from falling prey to scams by setting up a UOB LockAway Account to safeguard their hard-earned savings."

The UOB LockAway Account provides an added layer of security for customers, on top of the Bank's robust security controls in place to protect our customers against scams. By locking up their excess savings in the UOB LockAway Account, customers can prevent their monies from being stolen by fraudsters who illegally obtained digital access to their phones or banking app without their knowledge. With an additional step to access their lock-up funds, this also serves as a safety check for customers to think twice before transferring their monies out of their account.

Account holders will still be able to view their balances, as well as deposit funds into the account digitally. Monies held in the UOB LockAway Account will also enjoy interest on their deposits, with rates to be announced in the coming days.

UOB

Port City Colombo's Financial Landscape to be led by HNB as an Authorized Bank



Breaking new ground on the nation's economic revival, Sri Lanka's leading private sector bank, HNB PLC became one of the first bank's to be granted an Authorized Person (AP) License to operate within the Colombo Port City Special Economic Zone (SEZ).

Port City Colombo is a master planned city designed with smart city concepts. The city has been positioned as the regions modern service hub and financial centre of the future providing the highest quality in commercial, lifestyle and living opportunities. It has been designed with five unique precincts which are Island living, Central Park living, The Marina, International Island and the Financial District.

Port City Colombo spans a total land area of 269HA

which is an extension of Colombo's Central Business District and has a total built up area of 6.4Mn SQM. The expected population in the City is 273,000 people, creating 143,000 new jobs and total expected investment is USD15Bn.

Approved by Sri Lanka's Parliament, the Port City Commission Bill sets the stage for a transformative Colombo Port City Special Economic Zone, offering tax exemptions for up to 25 years—a compelling reason for international businesses to migrate their operations paving the way to attract milestone investment and global talent to complete the nation's economic resurgence.

"Banks such as HNB have a critical role to play in ensuring that this development reaches its maximum potential, by providing truly world-class integrated banking solutions that supports all businesses who invest and operate in Port City Colombo" HNB Managing Director/CEO, Jonathan Alles stated.

Hatton National Bank

Among Member Banks

Bank of Taiwan received two major awards at the “16th Arts & Business Awards”



The Ministry of Culture’s 16th Arts & Business Awards was held at the Huashan 1914 Creative Park on November 16. The Bank of Taiwan has won three consecutive “Gold Awards” in six years, and this year, it received the special award “Annual Sponsorship Award” for the restoration of the “Former Japanese Dormitory of Nancai Yuan - A Municipal Historic Monument”. This demonstrates the bank’s commitment to promoting, preserving, and developing arts and culture in Taiwan, and its efforts and special contributions have been positively recognized by the Ministry of Culture.

Under the leadership of Chairman Lyu Jye-Cherng, the bank has launched a series of Arts Festival Bank of Taiwan calls for entry competitions since 2017. The competition has been held for seven straight years without interruption even

during the pandemic. The art and culture activities promoted and engaged by the Bank of Taiwan are becoming more diverse, including painting, photography, calligraphy, and concerts. The bank aspires to provide an interactive stage for artists to realize their ambitions, and to help more artists by giving them support and encouragement along their creative journeys.

In recent years, the issue of sustainable development has become a global trend, and the sustainability of art and culture is an important and integral part of this trend. Using art as a medium, the Bank of Taiwan will continue to instill the philosophy of aesthetics and sustainability in corporate culture through art festivals and the preservation of cultural assets. In doing so, the aim is to hold on to the heritage of local aesthetics in Taiwan, promote and preserve art and cultural assets, and contribute to the sustainable development of art.

Bank of Taiwan

CTBC, SinoPac expect record earnings



CTBC Financial Holding Co and SinoPac Financial Holdings Co are looking to achieve record-high earnings this year on the back of improving loan demand, trading gains and foreign exchange benefits.



“Full-year income should ascend to an all-time high, although the profit momentum might slow this quarter from three months earlier,” CTBC Financial president James Chen told an investors’ conference..

Chen gave the positive outlook after the conglomerate logged a net income of NT\$19.8 billion (US\$612.4 million) in the July-to-September quarter, the best ever thanks to rising loan demand, dividend incomes and foreign exchange benefits, he said.

Overseas banking branches generated NT\$15.1 billion in pretax income, even after stripping offshore banking business, Chen said, adding that the figures represented a 32 percent pickup from a year earlier.

ASEAN emerged as the biggest growth driver, as an ongoing supply chain reorganization led Taiwanese firms to shift manufacturing bases away from China to Thailand, Vietnam and Singapore, he said.

Pretax income in ASEAN alone amounted to NT\$5 billion, or a 57 percent spike from a year earlier, Chen said.

Hong Kong also put up a fast recovery of more than 30 percent, he said.

Taiwan Life Insurance Co., CTBC Financial’s life insurance arm, booked NT\$9.8 billion in net income on the back

of dividend incomes, value gains in US dollar-based assets and trading profits, he said.

Most Taiwanese companies issue dividends in July and August, bolstering earnings for their major institutional investors in the third quarter.

Investment gains in the first three quarters soared 181 percent to NT\$14.5 billion, as financial markets at home and abroad gradually came out of last year’s bearish sentiment caused by global inflation and monetary tightening.

Against this backdrop, the group’s venture capital and lottery operating units contributed to earnings, Chen said.

Likewise, the banking-focused SinoPac Financial told investors that its net income had risen 21.7 percent to a new peak of NT\$15.75 billion in the first nine months, or earnings per share of NT\$1.29.

SinoPac Financial president Stanley Chu attributed the robust performance to trading gains and a recovery in stock investments that uplifted commission fees at its brokerage subsidiary, SinoPac Securities Co.

Other net incomes almost doubled year-on-year to NT\$10.94 billion due to solid improvement in capital gains, Chu said.

SinoPac Financial would distribute higher cash and stock dividends, likely about NT\$1 per share next time, compared with a combined NT\$0.9 per share from last year’s earnings, he said.

Further, SinoPac employees could expect generous year-end bonuses ahead of the Lunar New Year, amounting to four to six months’ wages last year, Chu said.

Taipei Times

Among Member Banks

Cathay United Bank Cambodia (CUBC) Corporation Limited vastly expands access to consumer financing services



Cathay United Bank (Cambodia) Corporation Limited (CUBC), a subsidiary of Taiwan's largest financial group, Cathay Financial Holding, is expanding its local consumer financing services by partnering with Southeast Asia's leading fintech company TrueMoney. The partnership greatly enlarges the access of CUBC customers to cash service points in Cambodia, enabling them to make deposits and withdrawals at more than 10,000 TrueMoney points nationwide, effective immediately.

This latest move follows the successful launch of the CUBC mBanking app for online banking at the beginning of 2023. As the app is connected to Cambodia's official Bakong payment system, CUBC became the first Taiwanese bank to provide KHQR payment capabilities. CUBC is also actively encouraging merchants to use KHQR payments to meet customers' payment needs and enhance digital financial experiences.

For a decade, Cathay United Bank Corporation Limited (CUBC) has had a strong presence in Cambodia, where, in addition to serving local and overseas enterprises, it also directly serves consumers with financial services such as savings, credit cards, and mortgage loans. In recent years, CUBC has embraced digital finance as the key to advancing its consumer financial services, as laid out in its strategic development goals. Aligned with this, the bank is actively exploring collaborations with local businesses such as TrueMoney to continuously enhance its digital finance offerings.

"We are honored and thrilled to partner with TrueMoney to greatly expand our customers' access to cash flow points along with the fintech company's vast agent network," stated Yeh Zhan-Hao, President of Cathay United Bank (Cambodia) Corporation Limited. "We have embraced digital finance as a key means to empowering consumers, and through combining digital and physical channels, we are making progress towards our vision of providing 'contextual banking' experiences."

"In addition, our focus on top-tier corporate financial services is crucial in Cambodia, where numerous companies take the responsibility of providing employees with cash withdrawal needs as part of payroll," continued Yeh. "Integrating with TrueMoney's vast network enables us to also expand cash access for these corporate clients as well."

Adding to this, TrueMoney (Cambodia) Acting Chief Executive Officer, Ms. KHUON Frandara said: "TrueMoney Cambodia has a vision to become a Bank Hub Solution by extending our +10,000 agent network to serve bank customers at a nationwide level. Our promotional partnership with CUBC will bring free & convenient service to CUBC customers, and growth to both businesses. It will be a quick win and fastest banking network expansion for CUBC."

This collaboration further enhances customer experience by only requiring the CUBC account number, account name and phone number to make a deposit. And customers can also withdraw money by using the App at one of these service points. To find the nearest TrueMoney location or CUBC branch, please visit the CUBC official website or TrueMoney App.

Yahoo Finance

Mobile banking of First Commercial Bank Guam Branch has launched



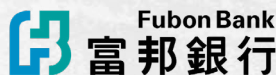
First Commercial Bank (FCB) has announced that customers of Guam Branch can now use the FCB eBanking App starting December 6, 2023.

FCB eBanking APP is available for customers of Phnom Penh Branch(including Sub-branch), Ho Chi Minh

City Branch, Hanoi City Branch, London Branch, Brisbane Branch, Tokyo Branch, Vancouver Branch, Toronto Branch, Singapore Branch, Macau Branch, Vientiane branch, Manila Branch and Guam Branch, the FCB eBanking APP functions of Guam Branch are as follows: 1) Quick login service, 2) Manage banking accounts, 3) Investment information, 4) Notification services, 5) Internationalization, and 6) eSecure.

First Commercial Bank

Fubon Financial Holdings Reports November 2023 Earnings Results



Fubon Financial reported unaudited consolidated net loss of NT\$2.671bn in November. Cumulative consolidated net profit was NT\$69.157bn, translating into EPS of NT\$5.04.

Taipei Fubon Bank's November and cumulative

net profit both hit record highs for the same period. Fubon Securities' monthly net profit hit a new high for the same period, and cumulative net profit was the 2nd highest in record for the same period. Fubon Insurance has been profitable for eight consecutive months since April.

Fubon Financial Holdings

Among Member Banks

Land Bank of Taiwan's ESG Efforts Pay off with ESG Report, Gender Equality and Social Inclusion Awards Received



The Bank's proactive approach towards ESG has been widely recognized, and is now aligned with climate-related disclosure, while fulfilling gender equality and corporate social responsibilities.

On the 15th November, Mr. Lin Kun-Ti, vice president of the Bank, attended the "26th Taiwan Corporate Sustainability Awards 2023" on behalf of the Bank which received three awards: ESG Category "Finance and Insurance - Gold Level in Category 1" and Sustainability Performance Category "Gender Equality Leadership Award" and "Social Inclusion Leadership Award".

Committed to ESG, Land Bank have formed an ESG Committee, as well as the Sustainable Finance Task Force, Customer Benefits Task Force, Employee Care Task Force, Corporate Governance Task Force, Environmental Sustainability Task Force, and Social Engagement Task Force under the ESG Committee since April 2021.

The ESG Committee and the Task Forces work together to make ESG plans and disclose the Bank's ESG performance. In addition to preparing the ESG Report in line with the latest

GRI Standards, TCFD framework, SDGs, and SASB Standards, the Bank compiled its first English ESG report this year. As well as this, the Bank set up a dedicated sustainable development section on its website and its efforts have been recognized by winning the Taiwan Corporate Sustainability Award for three consecutive years.

With respect to social inclusion, Land Bank promotes financial inclusion and offer various policy loans in line with government policies. They fulfill their corporate social responsibility by contributing to urban renewal, revitalization and utilization of monuments, and support for cultural development.

Chairperson Hsieh Chuan-Chuan actively incorporating sustainability into the Bank's DNA. With Hsieh's long-term dedication, the Bank has been honored with the "Excellence Award for Loans to Six Core Strategic Industries", "Special Award for Balanced Regional Development in SME Loans", and the Trust 2.0 Program for Well-being Trust Award" (FSC).

The Bank is ranked in the top 25% of the banking industry for assessment of the Implementation of Treating Customers Fairly Principles for the past five consecutive years and has won the Sports Promoter Award of the MOE for the past consecutive 14 years. The honors we have received have demonstrated our performance in pursuit of sustainability.

Land Bank of Taiwan

Taishin International Bank to boost core business as profit soars



Taishin Financial Holding Co is seeking to improve its core businesses this quarter after net profit rose more than 50 percent year-on-year to NT\$12.1 billion (US\$374.27 million) in the first three quarters, or earnings per share of NT\$0.85, the Taipei-based conglomerate said.

The results already beat its earnings per share for the whole of 2022 at NT\$0.55, and profit momentum would continue this quarter, Taishin said.

"All subsidiaries have fared well so far, aided by lingering benefits from acquiring Prudential Life Insurance Co of Taiwan, dividend income and trading gains," Taishin Financial president Welch Lin told an online investors' conference.

Taishin Financial benefited from recovering unrealized losses in the previous year, Lin added.

A restrictive monetary environment at home and abroad allowed its net interest margin to gather 4 basis points from 1.2 percent in June to 1.24 percent in September, while its interest spread widened from 1.28 percent to 1.29 percent, Taishin Financial data showed.

Net interest margin might moderate slightly and hover

at about 1.22 percent this year due to funding cost hikes, and is consistent with a slowdown in the loan-to-deposit ratio that stood at a relatively high 71.8 percent in September, officials said.

Currency swap operations would generate similar earnings this quarter as last quarter, after the US Federal Reserve and Taiwan's central bank held interest rates steady and extended the rate differences, officials said.

The wealth management business of Taishin International Bank, the conglomerate's main profit driver, might grow by double-digit percentage points this year alongside a high single-digit percentage increase in credit card operations, bank president Oliver Shang said.

Loan demand this quarter might rise by a high-single percentage with equal contributions from individual and corporate customers, Shang said.

Taishin Life Insurance Co reported NT\$21.4 billion of gross premiums in the first nine months, increasing its market share from 1.7 percent last year to 1.85 percent this year, company officials said, adding that bancassurance represented the largest sales channel.

Taipei Times

Among Member Banks

Announcement of Taiwan Business Bank's unaudited consolidated income in November, 2023



Taiwan Business Bank reported an unaudited consolidated income before miscellaneous provision and tax, of NT \$1,437,628 thousand dollars. After deducting miscellaneous provision of NT \$794,665 thousand dollars, the unaudited consolidated income before tax was NT \$642,963 thousand dollars (the unaudited consolidated income from continuing operations before tax was

NT \$642,963 thousand dollars), the unaudited consolidated income after tax was NT \$705,154 thousand dollars. For the eleven months ended November 30 2023,

the Bank reported an unaudited consolidated income, before miscellaneous provision and tax, of NT \$15,052,742 thousand dollars.

After deducting miscellaneous provision of NT \$3,475,506 thousand dollars, the unaudited

consolidated income before tax was NT \$11,577,236 thousand dollars (the unaudited consolidated income from continuing operations before tax was NT \$11,577,236 thousand dollars), the unaudited consolidated income after tax was NT \$9,889,992 thousand dollars, consolidated EPS before tax was NT\$1.41 dollars, consolidated EPS after tax was NT\$1.20 dollars, consolidated book value per share was NT\$14.35 dollars.

Taiwan Business Bank

Bangkok Bank organizes the 14th Bualuang SME Fair

Bangkok Bank organized the 14th Bualuang SME Fair, a year-end event for 85 businesses to promote and sell consumer products, home decor, fresh food and processed food, while at the same time hosting the “Digital Transformation for SME” seminar to strengthen the business sector in the digital age as a trusted partner who stands by SME operators in every situation.

Bangkok Bank’s Executive Vice President in charge of Business Banking Mr. Than Siripokee said that the 14th Bualuang SME Fair received good feedback from the businesses who joined the event, an increase of 15 from 2022, which featured more than 200 items at discounts of 30-50%. In



addition to allowing buyers to purchase quality souvenirs and gifts at special prices for the New Year and stimulating year-end spending, the fair provided SME businesses with opportunities to promote their products and gain new customers after the fair ended.

“The annual Bualuang SME Fair is organized in front of Bangkok Bank’s Head Office on Silom Road, a prominent business district which provides business opportunities for participating entrepreneurs to showcase their products and gain new customers. As a trusted partner, the Bank stands ready to support SME operators in every opportunity that can help them increase their competitiveness in addition to providing financial advice,” said Mr. Than.

Bangkok Bank

Vietcombank was voted in the top 10 best listed enterprises

At the award ceremony of Vietcombank the 16th listed enterprise election taking place on December 15, 2023 in Khanh Hoa province, Vietcombank was voted in the top 10 listed enterprises with the best Annual Reports on the stock market.

The event is held in conjunction with the 2023 annual listed business conference with the participation of leaders of the State Securities Commission, leaders of Stock Exchanges, and Securities Depository and Clearing Corporations. Vietnam Stock Exchange and representatives of nearly 300 listed companies, securities companies, fund management companies



and financial institutions in the market.

The Vietnam Listed Company Awards is an extension of the Vietnam Annual Report Awards organized by the Ho Chi Minh City Stock Exchange (HOSE), the Hanoi Stock Exchange (HNX), Investment Newspaper and Dragon Capital Fund Management Company coordinated the organization, with technical support from professional partners such as IFC, ACCA, leading auditing companies Deloitte, EY, KPMG, PwC.

Vietcombank is honored to be voted in the top 10 listed enterprises with the best Annual Reports on the Vietnam stock market in 2023.

Vietnamplus

Among Member Banks

Fitch Ratings upgraded Agribank's long-term IDR rating, stable outlook



On December 13, Fitch Ratings upgraded Agribank Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'BB+' from 'BB' with a "Stable" outlook.

The upgrade with a "Stable" outlook for Agribank was driven by the upgrade of Vietnam's sovereign rating from "BB" to "BB+" and expectation of better operating environment, i.e. the economy to continue to recover and grow robustly over the medium term, buoying banking sector business prospects, and expectation that Agribank's asset-quality performance to stabilize in the near term as well as risk-adjusted profitability to continue to improve on account of improving operational efficiency and liquidity score.

Fitch Ratings also believes that the Vietnamese Government is likely to support Agribank in times of need, considering Agribank's important role in the Vietnamese banking system with the largest scale in terms of branch network and strategic role in supporting agricultural and rural development, one of the main driving forces of the economy. With the advantage of an extensive operational network and close connection with the Government, Agribank has generally been a net lender in the interbank market with stable funding profile.

Agribank continues to affirm its brand as a financial institution that is highly appreciated by domestic and international organizations for its prestige and plays a key role in the financial market in Vietnam with many prestigious titles such as: Top 10 Vietnam's largest enterprises, Top 10 Most valuable brands in Vietnam in 2023, Top 10 most prestigious banks in Vietnam in 2023, Excellent information technology systems in the field of Digital Banking, Leadership in contactless penetration growth by JCB, etc.

Agribank is a 100% State-owned bank with the special mandate in supporting and developing Vietnam's agriculture and rural sectors. Agribank's credit programs have been making very important contributions to poverty reduction, promoting the restructuring of the agricultural sector and building new rural areas of the country, contributing to the breakthrough development of agriculture, affirming its role to the economy.

Agribank is currently the bank with the largest retail system in Vietnam with 2,223 branches and transaction offices; 1 branch in Cambodia; 3 representative offices in the Central, Southern and Southwest regions and more than 3,500 ATMs, including 573 CDMs and Agribank Digital Kiosks. In addition, Agribank has been actively implementing ESG practices, for a green future and sustainable development.

Agribank

Banking and Finance Newsbriefs

Hong Kong

Hong Kong credit market stable, say bankers

Hong Kong's credit market remains stable, the Hong Kong Association of Banks said, following after Moody's downgrade of the SAR and mainland China.

HKAB chairman Sun Yu said there are no significant changes in credit spreads between mainland and Hong Kong institutions. He said services provided by the Hong Kong banking sector will also remain stable and will not be significantly affected.

As high interest rates and geopolitical tensions have depressed borrowings, Sun believes closer links between Hong Kong and the Greater Bay Area will boost financing needs, and the industry should take advantage of this.

Fitch Ratings will not change its outlook on Hong Kong and mainland China despite Moody's decision, though it predicts weaker growth in the city, said James McCormack, the managing director and global head of sovereign and supranational ratings of the agency.

In other news, the Hongkong and Shanghai Banking Corporation lowered interest rates for some time deposits by 0.2 percentage points.

The Standard

India

Intellect signs ₹80-crore deal with Indian Bank to deploy cash management system

Intellect Design Arena Ltd, the Chennai-based FinTech company for financial and insurance clients, has signed a ₹80 crore, five-year deal with Indian Bank to deploy Intellect's eMACH.ai powered Cash Management System. This will bolster the bank's corporate banking modernisation, said SV Ramanan, Chief Executive Officer, India and South Asia, Intellect Design Arena Ltd.

The partnership is a pivotal moment - adding another feather to Intellect's growing footprint in the Indian BFSI industry, rendering the capabilities of a cognitive enterprise for revolutionising transaction banking.

Indian Bank, with a network of 4,900 ATMs and 5,798 domestic branches, serves over 100 million customers with 41,000 employees and \$140 billion worth of assets. As part of the project 'INDLEAP', the Indian Bank has taken on the objective of digital transformation by leveraging technology wherever possible with transaction banking and supply chain management being the key growth engines.

Through this implementation,

Intellect provides Omni-channel access across desktop and mobility; treasury persona-aligned dashboard to drive Contextual Banking experience; coverage of payments across electronic and physical channels and coverage of multi-modal collections offerings for Indian corporates, says a release.

Intellect Cash Management is poised to cater to all cash management requirements for all segments and sectors of customers to optimise their cash flow and facilitate effective management of corporate business operations, said Ramanan.

The Hindu Business Line

Japan

Most BOJ watchers predict end of negative rate regime by April 2024

Bank of Japan (BOJ) watchers are increasingly expecting the bank to achieve its inflation target, with a growing majority forecasting authorities will end the world's last negative rate regime by April 2024, according to a survey.

More than two-thirds of polled economists see the BOJ scrapping its negative rate by April 2024, with half of the 52 respondents saying it will happen that month. In the previous survey in October 2023, 29% saw the move coming in April 2024.

The results come in a week where financial markets were jolted by the prospect of an even earlier end to sub-zero borrowing costs as traders reacted to comments from BOJ Gov. Kazuo Ueda and one of his deputies. Amid hints they could be preparing for a policy shift, Japanese bond yields surged by the most in a year and then yen strengthened almost 4%.

Almost all of those surveyed expect the policy board to retain the

negative rate and yield curve control (YCC) program when it gathers in December 2023, with the focus falling on whether Ueda might drop any indication of changes to come in a policy statement or at his news conference following the decision on December 19.

Leaving aside the issue of timing, some 78% of respondents said raising the short-term rate would be the next BOJ policy step when multiple options for such predictions were allowed.

The results show growing expectations that authorities will seize the opportunity to normalize policy after getting confirmation of solid wage gains as part of annual spring wage negotiations.

Some 52% said they expect the outcome from the talks to exceed results achieved in 2023. That's twice as many optimists compared with the previous survey and follows a series of ambitious pronouncements from labor unions aiming to build on the gains of 2023, which were the biggest in three decades.

"The most beautiful scenario is the end of the negative rate in April 2024," said Yasunari Ueno, chief market economist at Mizuho Securities. "Still, there is more than a little chance of scrapping it even in January or March as they want to get their homework done as early as possible given uncertainties

in financial markets and the political climate."

The BOJ added flexibility to its YCC program at the latest meeting in October. Only one economist expected a back-to-back move on YCC. More than three-quarters of economists see zero risk of a change to rate policy in December.

With that in mind, a key question for the BOJ watchers is whether Ueda and his board may use the December meeting to send smoke signals flagging the approach of policy normalization. Some 36% said there is a chance that might happen, while half don't expect it.

In an indication that market participants are getting more comfortable with the idea of a policy transition, some 94% of the economists said scrapping the negative rate wouldn't exert a major drag on the economy.

On December 7, 10-year sovereign debt yields climbed, while the yen rose to its strongest versus the dollar in months after remarks by BOJ Deputy Gov. Ryozyo Himino on December 6 and by Ueda on December 7 prompted traders to move forward bets on policy normalization. Nervousness continued on December 8 with the 10-year gauge extending an increase to 0.8% and the yen surging by more than 1% at one point.

Japan Times

Korea

South Korea Financial Regulator Proposes Consumer Protection Rules for Crypto Users

South Korea's Financial Services Commission (FSC) has proposed rules to protect the customers of virtual asset services providers (VASPs), the regulator said on December 11.

The rules, which come under the

Virtual Asset User Protection Act passed earlier this year, are scheduled to take effect on July 19, 2024. They are open for public comment until Jan. 22, 2024.

The Act defines digital assets and provides statutory grounds for sanctions, including criminal penalties and fines "to punish unfair trading activities using virtual assets." It also requires VASPs, or exchanges, to monitor abnormal transactions and alert the FSC when appropriate.

South Korea has been ramping up its efforts to regulate the crypto sector in recent months. In July, the FSC

announced draft rules that will require companies to disclose if they own or hold crypto starting next year.

Under the incoming rules, VASPs must pay fees to customers for using their deposits. When exchanges store their assets in banks, the banks are allowed to invest the deposits in safe assets like government bonds.

The rules also require exchanges to store 80% or more of customers' deposits in cold wallets. A cold wallet is a crypto wallet that is not permanently online and is less vulnerable to cyberattacks.

CoinDesk

Malaysia

Malaysia's retakaful players well-placed to serve global, domestic value chains - Bank Negara

Retakaful players in Malaysia are well positioned to serve the global and domestic takaful value chains, Bank Negara Malaysia deputy governor Adnan Zaylani Mohamad Zahid said.

He said that with the comprehensive ecosystem and facilitative infrastructure in Malaysia which is reflective of a more mature Islamic finance ecosystem in the country, the retakaful ecosystem could be further strengthened to support the value chain.

"The presence of major global retakaful players in Malaysia, complemented by strong domestic retakaful players, further enriches Malaysia's proposition as a global gateway for Islamic finance as outlined in the Financial Sector Blueprint 2022-2026.

"In recent years, we have seen more new markets emerging across Asia, Africa and Europe as the Islamic finance business expands to include Shariah-compliant risk protection," he said at the launching of Malaysian Life Reinsurance Group Bhd's (MLRe) retakaful product here today.

According to Adnan Zaylani, the latest developments in digital takaful, microtakaful, social and green finance together with Malaysia's changing demographic landscape towards an ageing population presented new growth areas in which retakaful could play a greater role in spurring further developments.

He said Malaysia's takaful industry has also expanded nearly three times from where it was a decade ago with greater diversification of business lines by extending takaful coverage to underserved segments and embedding new value-added services such as badal hajj, waqf and charity.

"All these signals towards greater opportunities for the retakaful industry to expand in Malaysia and optimise Malaysia as a base for tapping

global opportunities," he said.

The deputy governor said the takaful and retakaful markets are interdependent in terms of their growth and viability, similar to the symbiosis between insurance and reinsurance.

He said as such, strong growth prospects for takaful meant that retakaful also stands to reap its benefits if seized in a timely manner.

"However, while takaful is making strides in its development, there remain gaps in the retakaful market to serve as a tool of choice by takaful operators for managing their risks.

"Several dimensions which retakaful players can strive to grow in line with the Malaysia International Islamic Financial Centre (MIFC) aspirations include greater diversification of risks with increased cross-border retakaful business within the region and beyond as well as expansion of retakaful offerings in innovative segments which remain relatively untapped such as agriculture as well as climate and social resilience," he added.

The Star

Maldives

Tietoevry partners with the Maldives Monetary Authority

Fintech solutions provider Tietoevry Banking has announced the launch of the Maldives instant payment system Favara by the Maldives Monetary Authority (MMA).

Recognising the need for a modern and efficient payment system aligned with the country's economic growth and digitalisation goals, the Maldives Monetary Authority embarked on this project to provide citizens, residents, and businesses with a fast, reliable, and secure way to conduct financial transactions. The infrastructure is also set to lay the foundation for expedited fintech innovation in the region and open the potential for cross-border transactions.

Launched in late August, the instant payments solution enables individuals and businesses alike to transfer funds instantaneously, 24/7, anywhere in the country. Simultaneously, a Smart Addressing system (Favara ID), implemented alongside Favara, helps simplify payments by offering all users unique and easy-to-remember identifiers of the likes of a mobile number, e-mail

address or National ID number to expedite transactions and reduce error rates. Both the R2P and Smart Addressing systems are secure and compliant with international standards like ISO 20022, ensuring simplified and standardised transactions across borders and financial networks. This extensive approach to modernising payments is believed to revolutionise how money is exchanged, making it increasingly fast, convenient, and globally accessible.

The system is set to enhance financial inclusion in the Maldives by simplifying electronic payments and expanding access to digital payments, whether mobile phone, tablet, or laptop. What is more, the companies expect instant payments to further the way for a second development phase which is going to include new Open Banking regulation in the region.

In this upcoming advancement, MMA will introduce a white-label mobile app to address the needs of consumers and businesses alike. One notable addition is to be the MMA Aggregation Services including access to accounts and payment initiation, designed in alignment with prevailing Open Banking regulations. In partnership with Tietoevry over the following three to five years, the MMA envisions an extensive centralised instant payment ecosystem set to further electronic payments and digital banking

due to the development of instant payments and smart addressing.

MMA officials said that their commitment to developing the financial industry in the Maldives drives them to create an equitable landscape that promotes healthy competition and empowers all market participants to deliver payment services. Per their statement, the body's advanced infrastructure, supported by Tietoevry Banking, connects banks and payment service providers on a single network seamlessly, enabling collaboration and innovation.

More to this point, Tietoevry Banking representatives advised that the partnership with the MMA is globally significant, as it showcases that having technology alone is not enough for long-term success. MMA's strategy focuses on infrastructure and delivering value-added services to all system participants, including consumers, banks, and businesses, and they managed needs and built local competence during the project rollout with the aim of improving the overall technical performance of the country's financial system. What is more, the spokesperson added that the MMA cooperated closely with participants to ensure readiness for modern solutions and innovations in inter-bank transaction processing while promoting openness for advancements in the financial ecosystem.

The Payers

Philippines

Philippine Central Bank sees narrower 2024 current account deficit

The Philippine Central Bank of December 15 revised its projection for the country's current account deficit in 2024 to \$9.5 billion, or 2.0% of gross domestic product (GDP).

It is narrower than the projected

current account deficit of \$11.2 billion, or -2.5% of GDP for 2023.

The Bangko Sentral ng Pilipinas' previous forecast for 2024 current account was at \$10.3 billion deficit, equivalent to 2.1% of GDP.

Zawya

Qatar

Qatar banking sector assets reach \$532bln in October

Qatar banking sector total assets increased 1.0% MoM (up 1.8% in 2023) in October 2023 to reach QR1.939 trillion and total loan book went up 1.5% MoM (up 1.6% in 2023) and deposits moved up 2.7% MoM (-2.0% in 2023) in the month of October 2023.

Both the public sector and private sector pushed the overall credit higher. As deposits rose in October, the LDR declined to 130.3% vs. 131.8% in September 2023.

The overall loan book gained 1.5% in October 2023. Total public sector loans was higher by 3.1% MoM (-1.6% in 2023). The government segment (represents ~29% of public sector loans) was the main growth driver for the public sector with a surge by 11.2% MoM (-6.8%

in 2023). The government institutions' segment (represents ~64% of public sector loans) edged up 0.1% MoM (-1.6% in 2023). However, the semi-government institutions' segment moved lower by 1.1% MoM (+31.0% in 2023).

Total private sector loans moved up 0.8% MoM (+3.3% in 2023) in October. The services segment was the main driver for the private sector loan rise. Services (contributes ~31% to private sector loans) increased 2.5% MoM (+9.1% in 2023), while general trade (contributes ~21% to private sector loans) moved up by 0.7% MoM (+5.8% in 2023) and consumption & others (contributes ~21% to private sector loans) was marginally up MoM (+5.4% in 2023). However, the real estate segment (contributes ~21% to private sector loans) declined 0.3% MoM (-5.5% in 2023) in October 2023. Outside Qatar loans moved up by 2.1% MoM (-2.9% in 2023) during the month of October.

Private sector deposits moved higher by 2.7% MoM (+2.8% in 2023) in October 2023. On the private sector front, the companies & institutions' segment

gained significantly by 6.1% MoM (-1.4% in 2023). However, the consumer segment edged down by 0.2% MoM (+7.0% in 2023) during October.

Public sector deposits gained 3.5% MoM (-5.8% in 2023) for the month of October 2023. Looking at segment details, the government segment (represents ~28% of public sector deposits) increased by 5.4% MoM (-14.2% in 2023), while the semi-government institutions' segment rose 9.3% MoM (+11.1% in 2023). The government institutions' segment (represents ~56% of public sector deposits) went up 1.0% MoM (-5.5% in 2023) in October 2023.

The non-resident deposits went up by 1.3% MoM (-6.4% in 2023) in October 2023. Qatar banking sector loan provisions to gross loans was at 3.9% in October 2023, compared to 4.0% in September 2023. While, the banking sector liquid assets to total assets was at 31.1% in October 2023, compared to 31.5% in September 2023.

Zawya

Russia

Russia's Central Bank Raises Rates Again, to 16 Percent, to Curb Inflation

Russia's central bank on December 15 increased its key interest

rate by 1 percentage point, to 16 percent, as it continued to battle what it called "high inflationary pressures."

The rate increase was the fifth in a row since the central bank began its current cycle of monetary tightening in July, when the rate was 7.5.

In a statement, the central bank said that it expected the annual rate of inflation to be close to 7.5 percent this

year, and predicted that "tight monetary conditions will be maintained in the economy for a long period." Policymakers target an inflation rate of 4 percent.

At the news conference following the announcement, Elvira Nabiullina, the head of the Bank of Russia, said that the interest rate increase was necessary to prevent the economy from overheating.

The New York Times

Singapore

Singapore and China Enhance Digital Finance and Capital Markets Cooperation

The Monetary Authority of Singapore (MAS) announced new digital finance and capital markets initiatives

to expand its financial cooperation with China. The initiatives were discussed at the 19th Joint Council for Bilateral Cooperation (JCBC) in Tianjin, which was co-chaired by Singapore Deputy Prime Minister and Minister for Finance, Mr Lawrence Wong, and the People's Republic of China Executive Vice Premier of the State Council, Mr Ding Xuexiang.

The initiatives are 1) Cross-border E-CNY Pilot between China and

Singapore, 2) Launch of the Exchange Traded Funds (ETF) Product Link between the Singapore Exchange (SGX) and Shanghai Stock Exchange (SSE), and 3) Signing of MOU between SGX and Guangzhou Futures Exchange (GFEX).

Singapore's local banks and China's UnionPay International have also embarked on early-stage feasibility discussions on a potential remittance linkage between Singapore's PayNow and

Banking and Finance Newsbriefs

UnionPay pursuant to each jurisdiction's laws and regulations. Such a linkage could facilitate secure, convenient and cost-effective cross-border payments and remittances between the two countries.

Following the establishment of the China-Singapore Green Finance Task Force (GFTF) at the 18th JCBC last year to deepen bilateral cooperation in green and transition finance, the GFTF held its

inaugural meeting in April 2023. Under the GFTF, MAS and the People's Bank of China are working on key initiatives, including a green corridor for green and transition financing products, as well as capacity building.

Mr Leong Sing Chiong, Deputy Managing Director (Markets and Development), MAS, said, "It has been a fruitful year of financial cooperation

between Singapore and China. MAS welcomes the new initiatives in digital finance and capital markets connectivity, as these will catalyse new financial flows between our financial centres, and deepen trade and economic relations between our economies."

Monetary Authority of Singapore

Sri Lanka

Asian Development Bank approves a \$200M loan to debt-stricken Sri Lanka

The Asian Development Bank (ADB) said on December 8 that it has approved \$200-million concessional loan to debt-stricken Sri Lanka to help stabilize the country's finance sector following

an unprecedented economic crisis that engulfed the Indian Ocean island nation last year.

The bank's announcement comes as Sri Lanka is awaiting International Monetary Fund approval for the second installment of a \$2.9-billion bailout package to rescue the country from bankruptcy.

The ADB said its Financial Sector Stability and Reforms Program for Sri Lanka includes two subprograms of \$200 million each that would help

strengthen the stability and governance of the country's banking sector, and deepen sustainable and inclusive finance, particularly for women-led micro, small, and medium-sized enterprises.

"The program's overarching development objective is fully aligned with the country's strategy of maintaining finance sector stability, while ensuring that banks are well-positioned for eventual recovery," Takafumi Kadono, ADB's director for Sri Lanka, said in a statement.

AP News

Taiwan

Taiwan's Bank expansion in New Southbound Policy (NSP) countries slows

Taiwanese banks have slowed their pace in opening representative offices or branches in the countries included in the government's New Southbound Policy (NSP), data released by the Financial Supervisory Commission (FSC) showed on December 8.

So far this year, only two local banks applied for and received approval to open outlets in New Southbound countries, the commission said.

In June 2023, the FSC approved Chang Hwa Commercial Bank's application to open a branch in Sydney, and in September it allowed

E.Sun Commercial Bank to set up a representative office in Kuala Lumpur.

The New Southbound Policy aims to enhance trade and exchanges between Taiwan and 18 countries in Southeast and South Asia, as well as Australia and New Zealand, to reduce Taiwan's dependence on China.

The policy was introduced after President Tsai Ing-wen took office in 2016.

In response to the initiative, the commission in 2017 set a goal to encourage Taiwanese banks to open no fewer than three new representative offices or branches in the New Southbound countries each year.

In 2017, the commission approved applications from Taiwanese banks to set up 17 outlets in the 18 countries, and eight each year during the 2018-2020 period before falling to five in 2021 and one last year, FSC data showed.

From 2017 to last month, the

commission approved the opening of 49 representative offices and branches in the 18 countries, it showed.

Regarding the drop in interest from local banks in setting up outlets in the countries, Banking Bureau Deputy Director-General Roger Lin said if no more banks apply to open branches by the end of this year to meet the commission's target, it would consider changing the goal of opening three new outlets per year.

Asked whether the banking markets in the 18 countries have been so saturated that local banks had to scale back their expansion efforts, Lin said it was up to banks to judge the market conditions.

He said that how local financial institutions map out their expansion plans in foreign markets depends on economic activities, and bilateral trade and investments between the markets and Taiwan.

Taipei Times

Thailand

Bank of Thailand keeps policy interest rate at 2.50 percent

Despite a slowdown in merchandise exports, the Thai economy is continuing to recover, supported by domestic demand, the tourism sector, and a recovery in exports. Inflation is expected

to increase next year due to economic recovery and supply pressure.

The overall financial system remains resilient, but there is a need to monitor credit quality for certain sectors. Financial conditions have tightened somewhat, but it is not hindering the economic recovery. The Committee expects the Thai economy to gradually recover and inflation to be within the target range.

The Committee projects a growth rate of 2.4 percent in 2023 and 3.2

percent in 2024. However, when taking into account the government's digital wallet scheme, the growth projection for 2024 is revised to 3.8 percent, down from the previous assessment of 4.4 percent. The overall trajectory of the economy indicates a steady recovery, driven by a strong expansion in private consumption, particularly in the services sector, as well as improvements in employment and labor income.

Thailand Business News

Uzbekistan

ADB allocates \$50 million to support privatization of state banks in Uzbekistan

The Asian Development Bank (ADB) and Uzbekistan's Sanoat Qurilish Bank (SQB) signed a senior convertible loan of \$50 million to support Uzbekistan's privatization of state-owned banks, which will strengthen the banking sector and contribute to economic growth and job creation.

The Manila-based bank said the International Finance Corporation and the European Bank for Reconstruction and Development are parallel lenders.

The ADB said the loan proceeds will help SQB expand its financing to underserved micro, small, and medium-sized enterprises (MSMEs). Portfolio

diversification will contribute to SQB's transition into a fully universal commercial bank by serving a broader customer segment.

The ADB added that it will also provide technical assistance to help SQB implement its transformation roadmap.

In 2017, Uzbekistan embarked on an ambitious market reform agenda, including the privatization of more than 100 state-owned banks.

MSMEs play a significant role in Uzbekistan's economy, comprising the majority of registered businesses and employing 74 percent of the workforce. However, access to financing remains a challenge, with only 13 percent of the sector having access to commercial loans, the bank said.

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AzerNews

Banking and Finance Newsbriefs

Vietnam

Vietnam's four largest banks cut savings interest rates

Vietnam's four largest banks, Agribank, VietinBank, BIDV and Vietcombank, have continued to sharply reduce savings interest rates.

BIDV on December 13 announced a new online savings interest rate schedule of up to 0.4 percentage points per year.

Accordingly, one-to-two month deposits decreased by 0.4 percentage points per year to 2.7% per year; three-five month deposits decreased by 0.3

percentage points per year to 3.1% per year.

The rates for six-to-11 month deposits are 4.1% per year and 5% per year for 12-to-18 month deposits.

BIDV had previously adjusted interest rates twice, on December 11 and December 12.

Similarly, at Agribank, online savings interest rates have decreased by 0.5 percentage points per year since December 13. It was also one of rare times the bank drastically adjusted deposit interest rates.

Accordingly, interest rates at Agribankbank for terms of one-to-two months decreased by 0.5 percentage points per year to 2.7% per year. The rates for both terms of three-to-five months and 12-to-18 months decreased by 0.3

percentage points per year to 3.3% and 5% per year.

Notably, VietinBank on December 13 made the highest savings interest rate cut of up to 0.6 percentage points per year for terms under six months. Accordingly, the bank's interest rates are only 2.6% per year for one-to-two month terms and 3% per year for three-to-five month terms.

For terms of six to 11 months, the decrease is 0.5 percentage points per year to only 4% per year; the decrease for 12-18 months is 0.3 percentage points per year to 5% per year.

Terms of 24 months or more remained at 5.5% per year, which is the highest deposit interest rate at VietinBank.

The Star

Publications

E-commerce Evolution in Asia and the Pacific: Opportunities and Challenges

This report analyzes e-commerce in Asia and the Pacific, assesses its environmental impact, and explains why providing adequate internet, online payments, and last-mile logistics is key to creating a sustainable and inclusive digital marketplace.

Noting the region makes up the largest share of the world's online retail market, it tracks the impact of the pandemic and emphasizes the need to level the playing field for small businesses. It outlines ways for companies to measure their carbon footprint, highlights the potential risk of anti-competitive behavior, and explains the need to improve digital taxation policies in line with e-commerce's rapid growth.

Publication: [ADB](#)



Publications

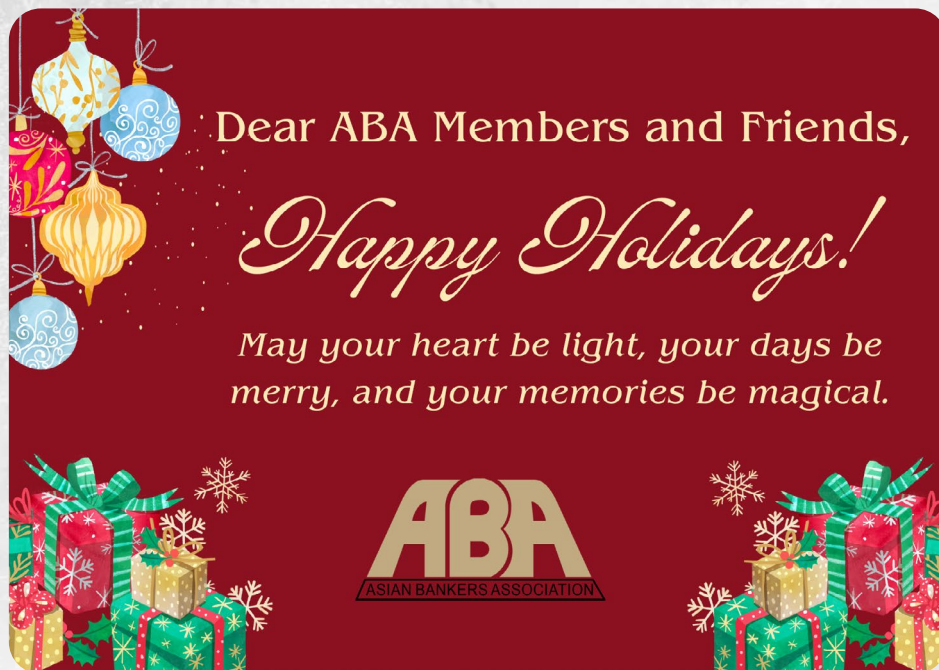
Pacific Economic Monitor – December 2023: Domestic Resource Mobilization for Economic Recovery and Resilience



Continued growth is expected in the Pacific, but governments need to generate additional resources for public infrastructure and services essential to sustaining economic development.

This edition of the Pacific Economic Monitor presents the region's experiences in domestic resource mobilization (DRM), the process wherein governments generate their own resources to fund their operations. Policy briefs examine the case for improving DRM, explore digital transformation in tax administration, and discuss tourism, an important sector in many Pacific economies that may have a role to play in contributing to DRM.

Publication: [ADB](#)



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