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ABA NEWSLETTER

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ASIAN BANKERS ASSOCIATION

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About ABA

Bankers with presence in Asia took the first step toward forging closer regional links when 217 representatives of 139 banks met in Taipei in May 1981 to formally establish the Asian Bankers Council as one of the Product and Service Councils of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI). The countries represented included Australia, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, the Republic of China (Taiwan) and Thailand.

The Taipei meeting was the largest gathering of bankers with Asian presence to be convened in the region at that time. CACCI sponsored the meeting with the view to exploring banking opportunities in Asia and to enhance the role of bankers in the economic development of the region.

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

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

ABA Announcements

Jonathan Alles to Retire from Hatton National Bank (HNB)

ABA Advisory Council Member and concurrently ABA Board Member Mr. Jonathan Alles will be retiring from his position as Managing Director/CEO of Hatton National Bank (HNB) effective August 23, 2024, and hence will be relinquishing his seat in the ABA.

Mr. Alles served as ABA Chairman from 2028 to 2021, and later as Chairman of the ABA Advisory Council from 2021 to 2023.

In his letter to the ABA Board and ABA Members announcing his retirement, Mr. Alles thanked them and the ABA Secretariat for "the kind support and cooperation extended to me during my tenure as ABA Chairman from 2018 to 2021, as Chairman of the ABA Advisory Council from 2021 to 2023, and as a Board Member over the years."

He added: "It has certainly been a great and distinct honor and privilege for me to work with ABA and look forward to maintaining our relationship in the years to come…"

In his response to Mr. Alles, ABA Chairman Mr. Morris Li from CTBC Bank Ltd expressed his appreciation to Mr. Alles "for your exemplary contribution to the further growth and development of the ABA during your long period of association with the ABA.

Mr. Li further stated: "I most welcome your offer to maintain relationship with the ABA and its members. The Association certainly needs someone with your experience and wisdom to help us in our efforts to promote the interest of our members and the banking community of the region as a whole. I therefore hope that you will remain as member of the ABA Advisory Council, so we can continue to benefit from your valuable guidance."

Mr. Damith Pallewatte will take over as acting CEO of HNB effective April 8, and will officially take over the position upon the retirement of Mr Alles in August. He will also assume a seat in the ABA Board as HNB's representative in place of Mr. Alles.

Mr. Pallewatte, who is currently serving as the Deputy General Manager of Wholesale Banking Group of HNB, has over 27 years of experience in the sector of which over 14 years in senior/ corporate management.

ABA Secretariat Executive Receives Copies of Newly Published Memoir of Past ABA Chairman

Immediate Past ABA Chairman Mr. Eugene S. Acevedo, President and Chief Executive Officer of the Rizal Commercial Banking Corporation (RCBC) from the Philippines (right), personally hands over two copies of his recently published memoir (with selected speeches) entitled "Never Stand Alone" to ABA Deputy Secretary Mr. Amador Honrado Jr.(left) during the latter's visit to Mr. Acevedo's office at the RCBC headquarters in Makati City, Philippines. The back cover of the book notes: "The physicist-turned-banker Eugene S. Acevedo has lived a remarkable life, but would be the first to say he never stood alone. 'I insist that every man or woman who rises above the crowd is supported by other men and women who cared for, nurtured, and mentored them.' This memoir, and the speeches he selected, is his way of giving thanks." Mr. Acevedo served as ABA Chairman from 2021 to2023, and is the current Chairman of the ABA Advisory Council, whose members include past chairmen of the Association.

Report on Fintelekt FCAP on March 20-21 in Bangkok

Fintelekt Certified AML/CFT Professional (FCAP) was held at Hotel Aloft in Bangkok on 20th and 21st March 2024. Professionals from institutions across Asia from private as well as public sectors joined the programme.

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

The FCAP session in Bangkok was well attended with 21 participants from banking, insurance, fintech, regulatory and supervisory institution across 6 countries in Asia, including Bhutan, Cambodia, India, Myanmar, Thailand and Philippines.

Arpita Bedekar, Chief Operating Officer, Fintelekt Advisory Services Pvt Ltd set the context, explaining that FCAP was introduced in response to a pressing regional need for an advanced training and certification programme that can help demonstrate a commitment and contribute towards building a stronger AML/CFT regime in the institution, country as well as the global financial system.

Day One – March 20

T.R. Hariharan, Trainer, Fintelekt started the training programme and engaged the participants in a discussion on key aspects of AML and CFT, including:

- **Strategic Understanding of AML/CFT Risks & Risk-Based Approach**: covering the need for a strong AML governance framework, balancing AML compliance and business priorities in accordance with the defined risk appetite of the organization and the consequences of non-compliance. The participants also studied the various elements involved in an enterprise-wide risk assessment (EWRA) and the effective application of a risk-based approach to AML/CFT.
- **Correspondent banking risks:** including evaluating and monitoring counterparty risks and MVTS considerations within correspondent banking.
- **Screening and due diligence**: including key sanctions risks and screening, politically exposed persons (PEP) risks and screening, adverse media monitoring and cross-border wire transfer screening.

Dr. Naomi Doak, Regional Coordinator, Counter Wildlife Trafficking, representing the Bangkok office of the Wildlife Conservation Society, was a Guest Speaker at the programme. She spoke to participants about regional trends in wildlife trafficking and environmental crimes including the growing nexus with organised criminal activity and emerging money laundering typologies in the region.

The last session of Day One of the FCAP programme was facilitated by Vijay Bharadwaj, Senior Manager, Ingenia Consultants, Singapore on evolving risks and their impact on the AML/CFT function. Vijay took the participants in detail through the risks from digital payments, fintechs and various types of payment intermediaries, use of third parties in delivery channels and risks from virtual currency, decentralized finance and NFTs. The session also included the latest regulatory guidance around the region and major updates from international bodies such as the Financial Action Task Force.

Day Two – March 21

The second day of training of the FCAP programme started with a session by Vijay Bharadwaj on Transaction Monitoring. Vijay emphasised putting in place robust processes for having an understanding of the normal and reasonable activity of the customer, so as to have the means of identify transactions that fall outside the regular pattern of activity. His session was aimed at providing participants with the tools and techniques required for effective transaction monitoring.

T. R. Hariharan continued the training programme by covering the following topics:

- Combatting Trade-based Money Laundering & Terrorist Financing Risks: which included an understanding of TBML techniques & latest typologies, trade due diligence measures to detect suspicious transactions and methods and best practices for combating TBML. The terrorism financing process, cross-border risks, and recommendations by the Wolfsberg Group and the Financial Action Task Force on combating terrorism financing.
- Proliferation financing, its three stages, comparison with money laundering and terrorism financing, difficulties faced in identifying proliferation financing and proliferation financing risk assessments.
- Ultimate beneficial ownership (UBO): and the risks associated with legal persons, corporate vehicles and arrangements and methods for establishing beneficial ownership and source of funds.
- Interacting with Regulators and Law Enforcement Agencies: regulatory expectations from banks and financial institutions.

Group Work

For the group work case study on Day One, the participants were divided into seven groups, each of which was given a case to analyze as a group. The trainer, T. R. Hariharan facilitated the discussions and provided inputs on how analyze the case.

A group-leader from each group collated and presented the findings of the analysis conducted by their group, which was then summarised and concluded by Hariharan.

The FCAP Certificate was presented by Arpita Bedekar, Director - Strategy & Planning, Fintelekt to all participants at the end of the programme.

Training Programs

ABA & Fintelekt to host a webinar on Effectively Managing the Compliance Function

The Asian Bankers Association (ABA) and Fintelekt will jointly host a webinar on "Effectively Managing the Compliance Function" on May 7 at 2-4pm SGT.

This virtual workshop will examine the multi-faceted role of the compliance function and what is required for it to be a success.

The expert trainer from Fintelekt, Gail Wessels, will refer to practical examples and case studies to bring the content to life, encourage reflection and discussion amongst participants across the following key issues:

- What is the scope of the compliance function?
- What is the overlap with areas such as governance, risk and sustainability?
- Why is the positioning of compliance within the organisation fundamental to its success?
- What is the purpose and value of compliance?
- What are the key elements of an effective compliance programme?
- Who bears responsibility and accountability for compliance?

Participation Fees

Participation fee is US$ 50 per person, which includes access to recording and certificate of completion. Pay online via credit/debit card and register now! ABA members can avail two free registrations per institution for this workshop. To be nominated for free registration, please contact ABA at aba@aba.org.tw.

For more information or clarification, please contact Oliver Dickson, VP – Sales, Fintelekt Advisory Services at oliver@fintelekt.com.

ABA & Temenos host a webinar on Accelerating Impact Beyond Digitalization of Financial Inclusion

The Asian Bankers Association (ABA) and Temenos, an ABA Associate Member, jointly organized a webinar on "Accelerating Impact Beyond Digitalization of Financial Inclusion" on April 25, 2024 at 14:00 SGT.

Held in a fireside chat format, the webinar aimed to gather hundreds of bankers, financial institutions, thought leaders, ecosystem partners, industry analysts, media partners, and Temenosians from the Asia region to discuss how to modernize the financial inclusion process to benefit special populations.

During this webinar, Temenos FI experts Ms. Lynn Petersen and Mr. Ajay Pundir shared with industry leaders their insights on the impact of digitalization on the financial inclusion process and discuss the challenges and opportunities in developing Asia.

Issues discussed:

Temenos' understanding of Asian FI status and opportunities and challenges for banks and non-banks.

- Access to financial services, predominantly the ability to make remittances safely and affordably, savings mobilisation (which resonated in Papua New Guinea) and loans.
- Financial Inclusion's current challenges, including gender issues, access to digital technology, climate change, cost of living, and conflicts.
- Temenos' solutions to fill in the gaps in Asia and success case study

Member Personalities

SMBC Announces APAC Co-Head and Managing Executive Officer

Sumitomo Mitsui Banking Corporation (SMBC) has appointed Katsufumi Uchida as the new Co-Head and Managing Executive Officer of its Asia Pacific (APAC) Division, effective 1 April 2024.

SMBC is actively expanding its presence in the APAC region through organic growth complemented with strategic acquisitions. Based in Singapore, Mr Uchida succeeds the role previously held by Yuichi Nishimura, joining colleague Rajeev Kannan as Co-Head and Managing Executive Officer for APAC.

Uchida offers over three decades of experience serving within the bank's global network across key locations in Asia and Europe, with a significant focus on structured finance and fostering growth in emerging markets.

"It is an honour to take on my new role with SMBC's Asia Pacific Division, which continues to be a driver of growth for the bank. I am delighted to work closely with the team to enhance our capability to drive transformation and growth as well as creating social value in this diverse and vibrant region" SMBC Co-Head and Managing Executive Officer of the Asia Pacific Division, Katsufumi Uchida commented.

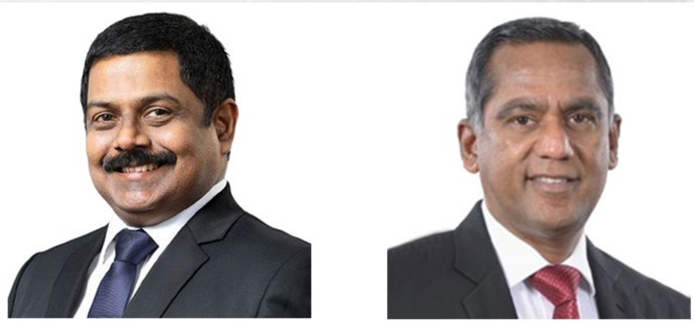
"SMBC Group continues to grow its presence in the Asia-Pacific region through organic growth complemented with strategic acquisitions. Given Mr Uchida's previous role overseeing the acquisitions, I look forward to working closely with him to further enhance our overall platform in the region" stated SMBC Co-Head and Managing Executive Officer of the Asia Pacific Division, Rajeev Kannan.

East and Partners

Bank of Maldives announces new Chairperson

Bank of Maldives has announced Hassan Zareer as Chairperson of its Board of Directors. This appointment was confirmed at the meeting of the Bank's Board held after the Bank's Extraordinary General Meeting (EGM) on March 25, 2024.

HNB gears up for growth with two strategic appointments to its Board of Directors



HNB Independent Non-Executive Director
S. Renganathan

HNB Independent Non-Executive Director
Nanda Fernando

Sri Lanka's leading private sector retail bank, Hatton National Bank (HNB) PLC, announced two strategic additions to its Board of Directors with the appointment of distinguished banking industry luminaries S. Renganathan and Nanda Fernando as Independent Non-Executive Directors, marking a significant enhancement to the Bank's governance and strategic direction.

Both Renganathan and Fernando possess over four decades of experience and extensive track-records as transformative leaders in the banking industry. Renganathan is the former Managing Director/CEO of Commercial Bank of Ceylon PLC, where he was renowned for spearheading international acquisitions and expansions. Previously he has also served as a Director of the Lanka Financial Services Bureau Limited and the Sri Lanka Banks' Association (Guarantee) Limited.

He has also served as a Council Member of the Employers Federation of Ceylon, Executive member of the Council for Business with Britain, Vice Chairman of the International Chamber of Commerce Sri Lanka, and Executive Member of the Ceylon Chamber of Commerce. Renganathan currently serves as a Member of the International Chamber of Commerce Sri Lanka Policy Advocacy Committee, Sri Lanka Institute of Directors and the Vice President of the Sri Lanka India Society.

He is also an Independent Non-Executive Director at Sunshine Holdings PLC, Sunshine Healthcare Ltd., Agility Innovations (PVT) Ltd, Janashakthi Insurance PLC, Ceylon Hospitals PLC, Lina Spiro (PVT) Ltd, Lina Manufacturing (Private) Ltd., Healthguard (Pvt) Ltd., Deputy Chairman of Damro Holdings Ltd and Chairman of Marino Leisure Holdings Ltd. He is a Fellow of the Chartered Institute of Management Accountants, UK (FCMA), Chartered Global Management Accountant (CGMA), Fellow of the London Institute of Banking & Finance, UK (FLIBF) and a Fellow of the Institute of Bankers Sri Lanka (FIB), and had received extensive Leadership, Management and Banking training locally and in overseas.

Nanda Fernando, known for his visionary role as the Managing Director of Sampath Bank, compliments the board with his in-depth knowledge and innovative approach to banking. Fernando has been instrumental in implementing cutting-edge banking technologies and customer service paradigms.

Currently, Fernando is the Managing Director of Professional Business Consultants, a company engaged in providing financial planning and advisory services. He is also a Director of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Lanka Bangla Finance PLC, and Lanka Bangla Securities PLC. He is a Senior Fellow of the Institute of Bankers Sri Lanka and possesses a Master of Business Administration from Sikkim Manipal University, India.

The appointments are expected to enhance HNB's leadership and fortify the Bank's commitment to excellence and innovation.

Hatton National Bank

News Updates

DBS and IFC launch $500 million trade financing facility

The International Finance Corporation (IFC) and Singapore-headquartered DBS Bank have jointly announced the signing of a $500 million trade finance facility, aiming at improving capital and trade flows in emerging markets.

Both parties will share the risk equally on a portfolio of trade-related assets of up to $500 million, according to an April 1 press release.

The agreement enhances DBS' capacity to support more trade financing with a faster turnaround time to businesses trading with emerging markets counterparts, it continued.

"The facility covers trade finance products that facilitate the import and export of goods or services to or from an emerging market," Sriram Muthukrishnan, group head of global transaction services product management at DBS Bank said.

These can include Letters of Credit (LoC), guarantees and partnering banks in emerging markets to extend trade facilities to their local importers and exporters. Countries covered by this facility include Bangladesh, Brazil, Chile, India, Indonesia, the Philippines and Vietnam, he added.

"IFC helps to expand the risk appetite that partner banks, in this case, DBS, have to support trade finance in emerging markets, by providing at least 50% of risk sharing in these trade finance transactions," explained Akintunde Ogunmodede, Apac regional lead for trade and supply chain finance, IFC.

This is the first agreement that the IFC has signed with a Southeast Asian (SEA) bank under its Global Trade Liquidity Programme (GTLP). Ogunmodede said that the involvement of a SEA regional bank is particularly helpful to tap into the emerging market issuing banks that DBS works with, benefiting trade flows in developing regions that need financing the most.

IFC signed the agreement on a silent participation basis, meaning that the organisation will not be directly involved in trade financing transactions that are covered.

The move comes as the Asian Development Bank (ADB) identified a $2.5 trillion trade finance gap globally, revealing a great amount of unmet demand from corporates and small and medium-sized enterprises (SMEs) for trade-related financing vehicles.

Conservative banks

In a recent interview with Nathalie Louat, director of trade and supply chain finance, IFC, in whish she emphasized the importance of trade finance accessibility in global emerging markets, especially with banks remaining conservative against a backdrop of global supply chain uncertainties.

Under Global Trade Liquidity Program (GTLP), IFC enters into risk participation agreements with local banks and acquires pro rata interest in a portfolio of trade transactions originated by the bank. Participating banks include big names such as Citibank, JPMorgan Chase, Sumitomo Mitsui Banking

Corporation (SMBC), Standard Chartered, as well as local institutions including Africa Export Import Bank, Banco Itau Paraguay and Standard Bank of South Africa.

Looking ahead, Ogunmodede said that the IFC is looking to establish partnership with more regional banks in Asia Pacific, covering other regions including the Pacific and South Asia.

Muthukrishnan said in the media note: "As our trade finance exposure to emerging markets continues to grow at pace, we constantly seek innovative ways to support our clients' evolving requirements. These include a greater focus on strengthening supply chain resilience, diversifying business models, establishing new markets, and capitalizing on the significant increase in emerging markets trading and infrastructure activities."

In addition, 20% of the financing facility will be allocated to climate-eligible trade transactions, such as the trading of renewable energy equipment, energy efficient equipment and climate-smart agriculture certified commodities.

Corporate Treasurer

MUFG eyes expansion in China, hoping to double revenue onshore

Doing business in China market is currently not easy. The country has been grappling with strict Covid-19 controlling measures which left the country isolated from the rest of world; a poor post-pandemic economic recovery; and rising geopolitical tensions with the west.

Having first established its presence in 1958, Tokyo-headquartered Mitsubishi UFJ Financial Group (MUFG) has since opened 14 branches and three sub-branches in China, serving corporate clients in the world's second largest economy.

In a recent interview with Tony Lee, Head, Global Corporate Banking East Asia, Co-head, Investment Banking, Co-head, Hong Kong Branch, and Benjamin Lam, Head, Global Corporate and Investment Banking China, MUFG, to discuss the Japanese bank's business strategy and outlook in China.

"With China's expected recovery being very much aligned with the start of our new 3-year plan priorities, we hope to double our revenue," Lam said.

Hong Kong is now the largest market among the four East Asian markets that Lee oversees, which also includes South Korea, Taiwan and mainland China, he said. The team is also expected their mainland China businesses to grow to a scale similar to that of Hong Kong's within the next three to five years.

"Notwithstanding the economic slowdown and geopolitical tensions, China's economy is still growing. We have a very strong ambition to do more in China," he said. The bank is targeting top-end local Fis and multinationals, who constantly need treasury management, partners regardless of the environment.

Chinese corporates "going out"

A large number of Chinese firms are now interested in expanding their businesses overseas, either because of organic opportunities in Asia's emerging markets and a slowed economy at home, or as a result of supply chain shift. Sectors include electric vehicles (EV); technology, media and telecommunications (TMT); and healthcare, Lam said.

Lee said that the MUFG team is looking to "do more" for their Chinese client base, facilitating their business growth journey outside of the Chinese market, through mergers and acquisitions (M&A), DCM and ECM activities.

Lee gave an example of a Chinese client that has a fast-growing subsidiary overseas that it wanted to fund for further expansion. The pitch from MUFG combined inputs from

departments from banking, leveraged finance, and Morgan Stanley, in which the group holds a 22% stake, suggesting the client pursue a separate public listing of the subsidiary. Lee said that the offer was not made by other banking institutions.

MUFG's revenue from corporate banking in China has been stable, thanks to a large group of Japanese corporates with a Chinese presence, Lee explained. The 'global banking' segment, he emphasized, refers to a greater push in serving local Chinese corporate clients, which include Chinese financial institutions, Chinese corporates and global subsidiaries of multinationals (ex-Japan) in China.

"Our mainland China team is very much international-oriented, and is ready to reconnect with the rest of our branches in the region, helping Chinese clients as they are increasingly interested in expanding to overseas markets," he said.

Panda bond interest

On capital markets, MUFG China, together with some other foreign banks, was approved lead underwriting license for corporate panda bonds on China's Interbank Bond Market (CIBM) in January.

Only two foreign banks held the license previously, being able to underwrite such onshore bonds that are issued by foreign entities and denominated in Renminbi. MUFG participated in the issuance of a three-year Rmb100 million ($13.8 million) green panda bond issued by NWS Holdings, the first Hong Kong corporate to issue such notes.

The move by the National Association of Financial Market Institutional Investors (NAFMII), the regulatory body of the CIBM, is a sign that China wanted to open up its onshore bond market to attract foreign issuers, grabbing the opportunity when Rmb's borrowing costs remain lower than that of dollar's.

Lam said that the team is seeing strong interest from potential issuers to look at panda bond issuances over the next 12 months, after the relaxation of the panda bond proceeds utilization, which can now be transferred offshore.

"We already built a good pipeline of clients that have shown interest in panda bond issuance opportunities in China," he said.

An interest rate spread between Rmb and dollar contributed largely to the growing interest from foreign entities in issuing panda bonds. Egypt issued a Rmb3.5 billion panda bond in October 2023; Pakistan is also interested in a $300 million worth of issuance to tap the onshore Chinese market.

Furthermore, Lee and Lam also pointed out that due to a decreased overall supply in China's bond market, as well as an investor base that almost only concentrated on banks, China's onshore market was not as deep as that in developed markets such as the US. Not to say that panda bond issuances only account for a single-digit proportion of the total China bond market.

"For foreign corporates looking to tap this market, the first step is usually to test it out with a first issuance that is relatively modest, before moving on to largest issuances to establish presence in this space," Lam said. But it is also important to expect a more diverse investor base with more non-bank investors such as pension funds, he added.

Corporate Treasurer

ASEAN finance chiefs agree to expand cross-border QR payments

Top financial officials from the Association of Southeast Asian Nations (ASEAN) agreed on April 6 to promote the expansion of cross-border QR payments through compatible platforms.

ASEAN finance ministers and central bank governors who met in Luang Prabang, Laos, issued a 25-point statement outlining the agreement, which mentioned "financing, payment and service connectivity" that covers QR payments.

It also touched on other areas such as "trade and investment facilitation" and "sustainable infrastructure financing."

The agreement represents progress toward sustaining high economic growth in Southeast Asia, Santiphab Phomvihane, Laotian minister of finance who co-chaired the meeting, told reporters following the gathering.

ASEAN aims to attain high economic growth through expanded trade and people-to-people exchanges within the region. Unifying QR payment systems has been seen as an avenue to promote economic integration.

Laos, this year's ASEAN chair, has agreed with Thailand to launch a cross-border QR payment system between the two countries. Full-scale operations are expected to begin in June.

Laos adopted the same arrangement with Cambodia and is negotiating with Vietnam.

Singapore, Indonesia, Thailand, Malaysia and the Philippines signed an agreement in 2022 toward integrating QR payment systems. This network linking major economies is now expected to extend to developing countries such as Laos and Cambodia.

ASEAN countries are moving to form joint QR payment networks since such platforms would create an easier environment for consumption without the hassle of currency exchange. Such payment networks are expected to promote tourism and investment.

Smartphone QR code payment systems run by the private sector had been fraught by a lack of interoperability between platforms. To address this, countries seek to unify standards and to enlist payment operators.

ASEAN finance ministers and central bank governors issued a 25-point statement outlining the agreement to expand cross-border QR payments. (Photo by Kosuke Inoue)

The goal is to make these compatible QR payments standards widespread to further people-to-people interactions.

In the Asia-Pacific region, 44% of in-store payments make use of mobile payment systems, including QR payments, according to U.S. financial service provider Fidelity National Information Services. That reach surpasses usage in North America and in Europe.

Bringing QR payments into the mainstream "will help trace fund transfers," said Toru Nishihama, chief economist at Dai-ichi Life Research Institute. This would aid in preventing crimes such as money laundering, he added.

Japan has been in talks with Indonesia, Cambodia and other countries in Southeast Asia with the aim of making QR payment services compatible with ASEAN countries by fiscal 2025. Integrating QR payment standards would serve as an impetus to collaborating closer on economic security and data usage.

China is also expanding a digital payment infrastructure throughout Asia and in Africa. Japan and China look to participate in the growth of ASEAN nations through the financial sector.

Nikkei Asia

News Updates

Japan, Korea, US Agree Forex Cooperation as Yen, Won Dive

Finance chiefs from the United States, Japan and South Korea have agreed to "consult closely" on foreign exchange markets, amid worrying declines of the yen and won.

The agreement came in the leaders first trilateral meeting on April 17 amid receding expectations of a US interest rate cut anytime soon pushed the yen to 34-year lows, keeping markets on alert on the chance of yen-buying intervention by Japanese authorities.

"We will continue to cooperate to promote sustainable economic growth, financial stability, as well as orderly and well-functioning financial markets," according to a joint statement released after the meeting.

"We will also continue to consult closely on foreign exchange market developments in line with our existing G20 commitments, while acknowledging serious concerns of Japan and the Republic of Korea about the recent sharp depreciation of the Japanese yen and the Korean won," it said.

The trilateral gathering, attended by US Treasury Secretary Janet Yellen, Japanese Finance Minister Shunichi Suzuki and South Korean Finance Minister Choi Sang-mok, was held on the sidelines of the International Monetary Fund and G20 finance leaders' meetings this week in Washington.

In the joint statement, the finance leaders condemned North Korea's exports of ballistic missiles to Russia, and Russia's procurement of them.

"We affirm our commitment to utilise and coordinate our respective sanctions tools to impose costs on Russia for its war against Ukraine" and target North Korea's weapons program, the statement said.

The finance leaders also emphasised the importance of collaboration to "overcome supply chain vulnerabilities and the possible harm to our economies from non-market economic practices of other countries, including economic coercion and overcapacity in key sectors," according to the statement.

Asia Financial

Special Features

Seven Turkish Banks on the 'Top 500 Most Valuable' List

Globally renowned independent brand valuation and strategy consultancy company Brand Finance released its "Banking 500 2024" report, ranking seven Turkish banks among the 500 most valuable banking brands in the world in 2024.

Accordingly, Türkiye İş Bankası, boasting a brand value of USD 859 million – a 17 percent increase from the previous year – secured the 223rd spot globally, thereby earning the top position as Türkiye's most valuable bank. Other Turkish banks on the list along with their respective rankings include Garanti BBVA (231), Ziraat Bankası (261), Yapı Kredi (280), Akbank (299), VakıfBank (412), and Halkbank (420).

Commenting on the findings, İş Bankası General Manager Hakan Aran expressed his appreciation for the report results: "Being ranked first in such a ranking, particularly in our centennial year, is of immense value. This ranking emphasizes reputation and brand value across all stakeholders, surpassing mere financial metrics. It brings us great pride to reaffirm that trust and innovation, the two primary pillars of a strong banking brand, are among the most prominent aspects of our Bank. Operating with the vision of being the bank of the future, this achievement fills us with joy and reinforces our commitment to excellence."

Invest in Türkiye

Special Features

AI Demand Hits a Tipping Point

At the Morgan Stanley Technology, Media & Telecom Conference, the industry's biggest companies and investors discuss opportunities in chips, software and data from the mass uptake of accelerated computing and generative AI.

More than a year since generative artificial intelligence became the focal point of every tech company and investor, the pulse of conversation has moved from "platform shift" to meeting mass demand from companies and consumers looking to harness deep learning to be more efficient, productive and profitable.

A tipping point in AI demand was the overarching theme of Morgan Stanley's Technology, Media & Telecom Conference in San Francisco—and over 1,600 industry investors and senior executives of more than 350 companies gathered—as businesses hasten to build more intelligent, fast, cost-effective and secure hardware and data platforms. One executive cited an estimated $3 trillion that may be spent on AI between 2023 and 2027, with generative AI spending composing 36% of that by 2027, highlighting the immense appetite as well as the opportunity for well-positioned companies and investors.

"Though cost savings and operational efficiencies remain a priority for large enterprises, they are also showing a willingness to spend, especially on generative AI and traditional AI hardware and software that may help reduce costs and increase productivity and revenue," said Dave Chen, Head of Global Technology Investment Banking at Morgan Stanley.

Semiconductor Investing: Assessing Future Growth

Soaring demand for advanced AI chips have sent many semiconductor stocks into the stratosphere in the past year, meaning investors are particularity interested in understanding chip designers' and makers' runway for future growth. "Semiconductors are central to facilitating generative AI across industries, and companies are racing to bring next-generation products and end-to-end solutions to market, to address their customers' proliferating needs around accelerated computing," said Bill Frauenhofer, Head of West Coast Technology Investment Banking at Morgan Stanley.

Semiconductor companies cited the following potential growth factors for investors to consider:

- **Demand from Data Centers**: Chip designers are vying for market share for meeting the growing needs of enterprise data centers—warehouses of computers that store and process companies' data. Fabless semiconductor companies are designing high-performing chips with different types of materials to meet the current computational needs of the market and support the next generation of demand, especially through graphics processing units (GPUs) that are in great demand because they facilitate the high-performance computing needed for generative AI workstreams that can produce multimodal content.

- **Partnerships with Hyperscalers**: Both chip designers and manufacturers shared that their alliances with large cloud service providers offer insights about enterprises' generative AI use cases, which is helping semiconductor companies tailor solutions and drive revenue growth.

- **Growing Interest from Sovereigns**: While private-sector companies in health care, financial services, automotives, manufacturing and software have been some of the earliest adopters of accelerated computing, national governments are now showing growing interest in building computational infrastructure to harness generative AI to help with planning and decision making.

- **Ramp-up in Inference Computing**: The ability for trained generative AI models to make predictions based on live data, known as inference, takes significant computing power. Rising demand for these use cases should drive revenue growth for semiconductor companies, though supply will remain a challenge.

- **Advanced Packaging for Edge Computing and Internet of Things (IoT)**: Advanced packaging, which aggregates wafer components to create high-performance system-on-chips, is helping meet the demand for semiconductors that accelerate AI and run applications on local edge devices, such as laptops, PCs, smartphones and medical devices, and IoT technologies such as autonomous or electric vehicles and robotics that connect to the cloud or data centers.

Indeed, as supply challenges remain a top question for investors, some chip fabricators shared that they are scaling their existing production facilities when possible and expanding in key geographies—especially in the U.S., Japan and Europe—to grow their wafer-manufacturing capacity. Many executives cited customers' concerns around potential impacts to semiconductor supply from geopolitical tensions and export controls between the U.S. and China. Companies and investors are also assessing how local Chinese equipment vendors could be poised to gain market share.

AI Software Investing: Trends in Demand and Uses

With efficiency and productivity gains from AI a major area of investment interest, investors are also monitoring the landscape of software as a service (SaaS) companies that are offering traditional AI and generative AI products that automate workflows. "At the conference, software executives shared that their cost-conscious customers have appetite for AI products because they can see potential benefits for savings and productivity, but that they are eager to see a quick return on investment," said Melissa Knox, Global Head of Software Investment Banking at Morgan Stanley.

Companies shared some of the biggest trends in AI software demand and some industry-specific verticalization:

- **Automation in Customer Service**: Executives pointed to AI powered chatbots as one of the most used and desired functionalities for enterprises to assist with work traditionally done by call center agents, store employees and field representatives. Generative AI's advancements now enable chatbots to train on and produce multimodal content that includes images and videos, which is important for enterprises because much of their data is stored in PDFs, charts and graphs.

- **Marketing AI**: Some SaaS platforms are automating marketing across email, SMS text messaging and reviews that collect data, to help enterprises, as well as small- and medium-sized businesses, provide personalized customer journeys on desktop and mobile apps.

- **Efficiencies in Financial Services**: Firms such as banks are using generative AI to save them time and money on tasks including language translation, written summaries of research and sentiment scoring for earnings transcripts.

- **Copilots for Data Insights and Engineering**: Text-to-SQL and text-to-code generative AI software is helping enterprises democratize business intelligence and computer programming across their workforces, streamlining the need for technical expertise.

- **Semiautonomous Workflow Agents**: AI-powered copilots are helping organizations retrieve information and perform tasks in sophisticated ways across commonly used applications such as emails, calendars and meetings. One example: If an employee misses a meeting, generative AI can help summarize and propose action items.

Big Data Companies: Consolidated Offerings and AI Products

Big data is at the heart of generative AI's promise, which gives big data companies even more sway in shaping how enterprises manage, store and deploy their vast troves of information. As the demand for solutions continues to grow, some are building multiple data tools as platforms vs. siloed specialty offerings (the so-called best-of-breed approach). "Investors are trying to determine which big data companies will gain and lose market share, as some customers may want to pare down their software and double down on a few data partners because of potential cost and security benefits," said Brittany Skoda, Global Head of Software Investment Banking at Morgan Stanley. "While best-of-breeds could move faster and be more specialized, customers are also considering how unified platforms can help them reduce cloud usage and heighten visibility and control of security protocols."

In addition to consolidated vs. best-of-breed offerings, big data companies shared additional trends in the solutions they are building for enterprise clients:

- **Labeling Data**: Before data can be useful to AI models, it must be labeled to add context or meaning. Companies cited opportunities resulting from large amounts of raw, unlabeled data held by corporates.

- **Real-time Data Streaming:** Big data companies are helping process customer data from various sources together in real time with large language models (LLMs) to improve customer service and drive vemployee productivity.

- **Improving Accuracy**: Enterprises care about whether LLMs can update with real-time information and avoid hallucinations, and they are interested in solutions that help fine tune their advanced machine learning systems to improve trustworthiness and scalability.

- Synthetic Data in Generative AI: Big data companies are helping customers build generative AI algorithms that can create synthetic data, or artificially-manufactured data made based on real-world data. Synthetic data is useful to generate large training datasets without manual labeling and for the ability to sidestep restrictions on regulated or sensitive data.

Morgan Stanley

Rising Cyber Threats Pose Serious Concerns for Financial Stability

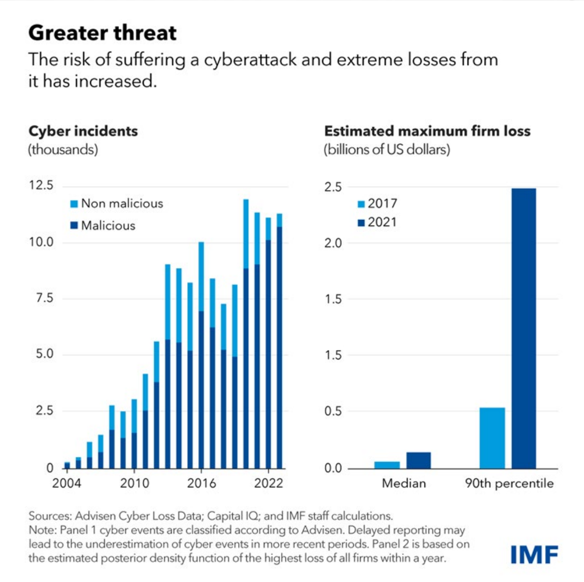
Cyberattacks have more than doubled since the pandemic. While companies have historically suffered relatively modest direct losses from cyberattacks, some have experienced a much heavier toll. US credit reporting agency Equifax, for example, paid more than $1 billion in penalties after a major data breach in 2017 that affected about 150 million consumers.

As we show in a chapter of the April 2024 Global Financial Stability Report, the risk of extreme losses from cyber incidents is increasing. Such losses could potentially cause funding problems for companies and even jeopardize their solvency. The size of these extreme losses has more than quadrupled since 2017 to $2.5 billion. And indirect losses like reputational damage or security upgrades are substantially higher.

The financial sector is uniquely exposed to cyber risk. Financial firms – given the large amounts of sensitive data and transactions they handle – are often targeted by criminals seeking to steal money or disrupt economic activity. Attacks on financial firms account for nearly one-fifth of the total, of which banks are the most exposed.

Incidents in the financial sector could threaten financial and economic stability if they erode confidence in the financial system, disrupt critical services, or cause spillovers to other institutions.

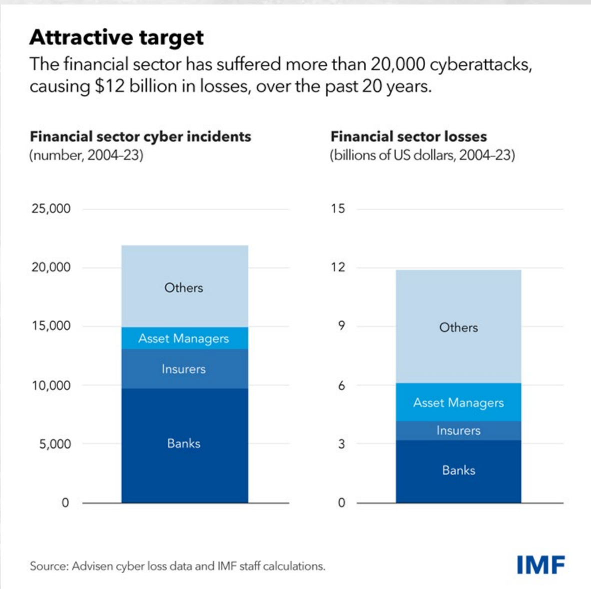
For example, a severe incident at a financial institution could undermine trust and, in extreme cases, lead to market selloffs or runs on banks. Although no significant "cyber runs" have occurred thus far, our analysis suggests modest and somewhat persistent deposit outflows have occurred at smaller US banks after a cyberattack.



Cyber incidents that disrupt critical services like payment networks could also severely affect economic activity. For example, a December attack at the Central Bank of Lesotho disrupted the national payment system, preventing transactions by domestic banks.

Another consideration is that financial firms increasingly rely on third-party IT service providers, and may do so even more with the emerging role of artificial intelligence. Such external providers can improve operational resilience, but also expose the financial industry to systemwide shocks. For example, a 2023 ransomware attack on a cloud IT service provider caused simultaneous outages at 60 US credit unions.

With the global financial system facing significant and growing cyber risks from increasing digitalization and geopolitical tensions, as shown in the chapter, policies and governance frameworks at firms must keep pace.



Because private incentives may be insufficient to address cyber risks – for example, firms may not fully account for the systemwide effects of incidents – public intervention may be necessary.

However, according to an IMF survey of central banks and supervisory authorities, cybersecurity policy frameworks, especially in emerging market and developing economies, often remain insufficient. For example, only about half of countries surveyed had a national, financial sector-focused cybersecurity strategy or dedicated cybersecurity regulations.

To strengthen resilience in the financial sector, authorities should develop an adequate national cybersecurity strategy accompanied by effective regulation and supervisory capacity that should encompass:

- Periodically assessing the cybersecurity landscape and identifying potential systemic risks from interconnectedness and concentrations, including from third-party service providers
- Encouraging cyber "maturity" among financial sector firms, including board-level access to cybersecurity expertise, as supported by the chapter's analysis which suggests that better cyber-related governance may reduce cyber risk
- Improving cyber hygiene of firms – that is, their online security and system health (such as antimalware and multifactor authentication) – and training and awareness
- Prioritizing data reporting and collection of cyber incidents, and sharing information among financial sector participants to enhance their collective preparedness

As attacks often emanate from outside a financial firm's home country and proceeds can be routed across borders, international cooperation is imperative to address cyber risk successfully.

While cyber incidents will occur, the financial sector needs the capacity to deliver critical business services during these disruptions. To this end, financial firms should develop, and test, response and recovery procedures and national authorities should have effective response protocols and crisis management frameworks in place.

IMF

ADB Forecasts Developing Asia's Economy to Grow 4.9% in 2024

Developing economies in Asia and the Pacific are forecast to expand by 4.9% on average this year as the region continues its resilient growth amid robust domestic demand, improving semiconductor exports, and recovering tourism.

Growth will continue at the same rate next year, according to the Asian Development Outlook (ADO) April 2024, released April 11 by the Asian Development Bank (ADB). Inflation is expected o moderate in 2024 and 2025, after being pushed up by higher food prices in many economies over the past 2 years.

Stronger growth in South and Southeast Asia—fueled by both domestic demand and exports—is offsetting a slowdown in the People's Republic of China (PRC) caused by weakness in the property market and subdued consumption. India is expected to remain a major growth engine in Asia and the Pacific, with a 7.0% expansion this year and 7.2% next year. The PRC's growth is forecast to slow to 4.8% this year and 4.5% next year, from 5.2% last year.

GDP Growth Rate and Inflation, % per year

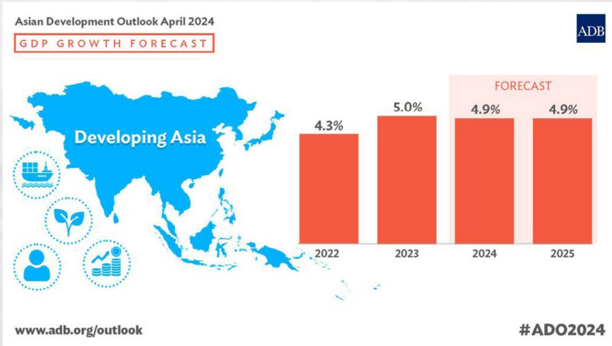
	GDP Growth				Inflation			
	2022	2023	2024	2025	2022	2023	2024	2025
Developing Asia	**4.3**	**5.0**	**4.9**	**4.9**	**4.4**	**3.3**	**3.2**	**3.0**
Developing Asia excluding the PRC	**5.5**	**4.8**	**5.0**	**5.3**	**6.8**	**6.3**	**5.1**	**4.4**
Caucasus and Central Asia	**5.2**	**5.3**	**4.3**	**5.0**	**12.9**	**10.5**	**7.9**	**7.0**
Armenia	12.6	8.7	5.7	6.0	8.6	2.0	3.0	3.5
Azerbaijan	4.6	1.1	1.2	1.6	13.9	8.8	5.5	6.5
Georgia	10.4	7.0	5.0	5.5	11.9	2.5	3.5	4.0
Kazakhstan	3.2	5.1	3.8	5.3	15.0	14.5	8.7	6.3
Kyrgyz Republic	9.0	6.2	5.0	4.5	13.9	10.8	7.0	6.5
Tajikistan	8.0	8.3	6.5	6.5	4.2	3.8	5.5	6.5
Turkmenistan	6.2	6.3	6.5	6.0	11.2	5.9	8.0	8.0
Uzbekistan	5.7	6.0	5.5	5.6	11.4	10.0	10.0	9.5
East Asia	**2.9**	**4.7**	**4.5**	**4.2**	**2.3**	**0.6**	**1.3**	**1.6**
Hong Kong, China	–3.7	3.2	2.8	3.0	1.9	2.1	2.3	2.3
Mongolia	5.0	7.0	4.1	6.0	15.2	10.4	7.0	6.8
People's Republic of China	3.0	5.2	4.8	4.5	2.0	0.2	1.1	1.5
Republic of Korea	2.6	1.4	2.2	2.3	5.1	3.6	2.5	2.0
Taipei,China	2.6	1.3	3.0	2.7	2.9	2.5	2.3	2.0
South Asia	**6.6**	**6.4**	**6.3**	**6.6**	**8.0**	**8.4**	**7.0**	**5.8**
Afghanistan	–20.7	–6.2	...	...	7.8	10.8	...	...
Bangladesh	7.1	5.8	6.1	6.6	6.2	9.0	8.4	7.0
Bhutan	5.2	4.0	4.4	7.0	5.6	4.2	4.5	4.2
India	7.0	7.6	7.0	7.2	6.7	5.5	4.6	4.5
Maldives	13.9	4.4	5.4	6.0	2.3	2.9	3.2	2.5
Nepal	5.6	1.9	3.6	4.8	6.3	7.7	6.5	6.0
Pakistan	6.2	–0.2	1.9	2.8	12.2	29.2	25.0	15.0
Sri Lanka	–7.3	–2.3	1.9	2.5	46.4	17.4	7.5	5.5
Southeast Asia	**5.7**	**4.1**	**4.6**	**4.7**	**5.3**	**4.1**	**3.2**	**3.0**
Brunei Darussalam	–1.6	1.4	3.7	2.8	3.7	0.4	1.1	1.0
Cambodia	5.2	5.0	5.8	6.0	5.3	2.1	2.0	2.0
Indonesia	5.3	5.0	5.0	5.0	4.1	3.7	2.8	2.8
Lao People's Democratic Republic	2.5	3.7	4.0	4.0	23.0	31.2	20.0	7.0
Malaysia	8.7	3.7	4.5	4.6	3.4	2.5	2.6	2.6
Myanmar	2.4	0.8	1.2	2.2	27.2	22.0	15.5	10.2
Philippines	7.6	5.6	6.0	6.2	5.8	6.0	3.8	3.4
Singapore	3.8	1.1	2.4	2.6	6.1	4.8	3.0	2.2
Thailand	2.5	1.9	2.6	3.0	6.1	1.2	1.0	1.5
Timor-Leste	4.0	1.9	3.4	4.1	7.0	8.4	3.5	2.9
Viet Nam	8.0	5.0	6.0	6.2	3.2	3.3	4.0	4.0
The Pacific	**7.9**	**3.5**	**3.3**	**4.0**	**5.2**	**3.0**	**4.3**	**4.1**
Cook Islands	10.5	13.3	9.1	5.2	3.6	13.2	2.3	2.3
Federated States of Micronesia	–0.6	2.6	3.1	2.8	5.0	5.3	4.1	3.5
Fiji	20.0	7.8	3.0	2.7	4.3	2.4	3.7	2.6
Kiribati	3.9	4.2	5.3	3.5	5.3	9.7	4.0	3.0
Marshall Islands	–0.7	2.5	2.7	1.7	3.2	6.5	5.5	3.7
Nauru	2.8	1.6	1.8	2.0	1.5	5.2	10.3	3.5
Niue	...	...	...	...	3.1	8.6	...	...
Palau	–1.7	–0.2	6.5	8.0	13.2	12.4	5.5	1.0
Papua New Guinea	5.2	2.0	3.3	4.6	5.3	2.3	4.5	4.8
Samoa	–5.3	8.0	4.2	4.0	8.8	12.0	4.5	4.3
Solomon Islands	–4.2	2.5	2.2	2.2	5.4	4.6	3.2	2.7
Tonga	–2.2	2.8	2.6	2.3	8.2	9.7	4.5	4.2
Tuvalu	0.7	3.9	3.5	2.4	12.2	7.2	3.0	3.0
Vanuatu	2.0	1.0	3.1	3.6	6.7	13.5	4.8	2.9

... = not available, GDP = gross domestic product, PRC = People's Republic of China.

Notes: The current uncertain situation permits no forecasts for Afghanistan. ADB placed on hold its regular assistance in Afghanistan effective 15 August 2021. Effective 1 February 2021, ADB placed a temporary hold on sovereign project disbursements and new contracts in Myanmar. All data in *Asian Development Outlook April 2024* were accessed from 1 February–31 March 2024.

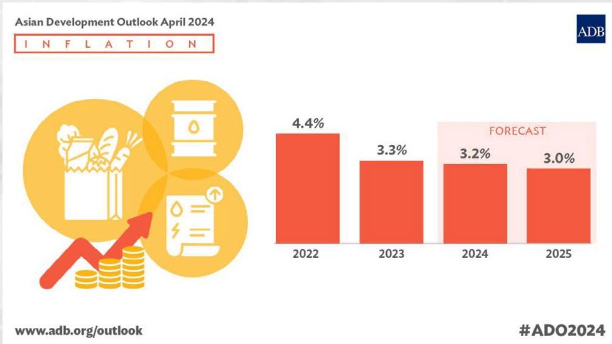
Source: *Asian Development Outlook* database.

"We see strong, stable growth for the majority of economies in developing Asia this year and next," said ADB Chief Economist Albert Park. "Consumer confidence is improving, and investment is resilient overall. External demand also appears to be turning a corner, particularly with regard to semiconductors."



Policy makers should remain vigilant, however, as there are a number of risks. These include supply chain disruptions, uncertainty about US monetary policy, the effects of extreme weather, and further property market weakness in the PRC.

Inflation in developing Asia and the Pacific is expected to decline to 3.2% this year and 3.0% next year, as global price pressures ease and as monetary policy remains tight in many economies. However, for the region excluding the PRC, inflation is still higher than before the COVID-19 pandemic.



Rice prices have contributed to higher food inflation, especially for import-reliant economies. Prices for rice are likely to stay elevated this year, according to ADO April 2024. Reasons include crop losses due to adverse weather and India's restrictions on rice exports. Increased global shipping costs, due to attacks against ships in the Red Sea and drought in the Panama Canal, may also add to inflation in Asia, according to the report.

To tackle surging rice prices and protect food security, governments can give targeted subsidies to vulnerable populations and enhance market transparency and monitoring to prevent price manipulation and hoarding. In the medium to longer term, policy should focus on establishing strategic rice reserves to stabilize prices, promoting sustainable farming and crop diversification, and investing in agricultural technology and infrastructure to raise productivity. Regional cooperation can also help manage rice prices and their impact, the report says.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region.

ADB

SBI approaches RBI to cap NBFC lender base

State Bank of India (SBI) has approached the Reserve Bank of India (RBI) to put a cap on non-banking financial companies' (NBFCs) lender base. Currently, many NBFCs borrow from over 50-60 lenders at the same time.

The country's largest bank believes that large number of lenders dilutes the ability to monitor NBFCs loan books significantly. "Almost all NBFCs today have a large number of banks as their lenders. In some cases, it can be upwards of 50-60 in their liability mix that crimps our ability to do due diligence," a source said. SBI did not respond to queries sent by FE till going to the press.

The source explained that there are multiple banks who are lenders to a single NBFC, but they seldom communicate or have meetings to gauge the performance of the borrower.

Their worries also stem from the fact that though NBFCs' non-performing assets (NPA) have come down substantially, it is still on the higher side. That is, the gross NPA ratio of NBFCs has declined from a high of 7.2% in December 2021 to 4.6% in September 2023, according to the RBI's December 2023 financial stability report.

Then, there are unlisted NBFCs as well whose data isn't available on a regular basis. "So if there is any stress building up, it will be difficult for anyone to know," another source said. He added that cases like Infrastructure Leasing & Financial Services (IL&FS) and erstwhile Dewan Housing Finance Corp (DHFL) have clearly shown that there could be a contagion effect if they go down.

To address these concerns, SBI has proposed that a consortium of lenders can be formed to take common lending decisions for, at least large-sized NBFCs. Further, a mechanism needs to be built that allows monitoring of all NBFCs' performance.

Last October, SIDBI did try to bring all small NBFCs on its growth accelerator programme to become eligible for bank funding, however, the platform has not picked up. Proponents argue that joint platform will only pick up when all the major banks participate or the banking regulator puts its weight behind it.

While the apex bank seems to be seized of the situation and has increased the risk weights of bank loans to NBFCs, many believe that more can be done.

Financial Express

MUFG's Donation for Earthquake Relief in Taiwan

MUFG extends its deepest sympathy to all those affected by the recent earthquake in Taiwan.

As a joint effort with six MUFG Group companies (MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Securities Holdings Co., Ltd., Mitsubishi UFJ NICOS Co., Ltd., ACOM CO., LTD., and Mitsubishi UFJ Asset Management Co., Ltd.), MUFG will donate a total of ten million yen to support relief efforts.

MUFG sincerely wishes for the earliest possible recovery and reconstruction of the affected areas.

MUFG

SMBC's Donation for Earthquake Relief in Eastern Taiwan

Sumitomo Mitsui Financial Group, Inc. and all of its employees express their heartfelt condolences and deepest sympathy to those people who have been affected by the earthquake that have struck Eastern Taiwan.

To support the victims of the earthquake, SMBC Group, on behalf of all SMBC Group companies, will donate a total of 10,000,000 Japanese Yen to Taiwan.

SMBC Group hopes for a swift global response to the emergency and for the earliest possible recovery of the affected areas.

SMBC

Among Member Banks

Mizuho Bank announces investment in Bison Low Carbon Ventures

Mizuho Bank, Ltd. has entered into a share subscription agreement with Bison Low Carbon Ventures Inc. and has made a CAD 5 million investment. Bison is a company engaged in the carbon dioxide capture and storage (CCS) business and also counts Marubeni Corporation among its shareholders. Mizuho Bank has made this investment through our Transition Equity Investment Facility.

Founded in 2020, Bison is looking to commercialize its CCS business in Alberta, Canada. One of Bison's CCS projects, the Meadowbrook CCS Project, aims to build one of the world's largest CCS operations near Edmonton, Alberta, with the goal of transporting and storing 3 million tons of carbon dioxide annually from multiple sources. Bison started a detailed geological assessment in the second half of 2023 and plans to gradually expand its storage capacity.

The project will contribute to the achievement of Canada and Alberta's carbon neutrality targets for 2050 and to economic development and job creation through the creation of new industries such as blue hydrogen and ammonia production. It will also be the first CCS project in Canada for a Japanese company to commercialize.

At Mizuho Bank, we have begun operating a Transition Equity Investment Facility, committing equity investments towards seed or early-stage projects to support Mizuho clients in funding sustainability initiatives. Sharing both opportunity and risk through such investment, we aim to cocreate social value and contribute to the sustainability of the environment and society.

Mizuho Bank recognizes that the development of CCS technologies and business models is necessary to achieve carbon neutrality in hard-to-abate sectors, and we joined the CCS Global Institute in May 2022. Together with Marubeni, which entered into a share subscription agreement with Bison in July 2023, we are supporting the growth of Bison, in doing so promoting the social implementation and spread of CCS and contributing to decarbonization driven by the use of CCS technology in sectors where it is difficult to reduce emissions. Through this investment, we will further improve our knowledge of CCS technology and the CCS industry, deepen our involvement in CCS development projects in Japan and around the world, and facilitate the achievement of carbon neutrality by 2050.

Mizuho News

Maybank branch staff helped save 57-year-old civil servant from losing RM150,000 to phone scam

Maybank remains resolute in its mission to combat scams and safeguard customers' financial well-being through comprehensive counterfraud education and awareness initiatives. This includes extensive training programmes to ensure that its frontline employees are equipped with the necessary knowledge to recognise signs of distress in customers and identify potential scam targets, enabling them to offer real-time support and assistance.

In a heartwarming display of compassion and proactiveness in customer care, a Maybank Kampung Baru branch employee recently thwarted scammers and saved a customer, from losing RM150,000 to individuals impersonating enforcement agency officers.

The customer's ordeal began with a phone call purportedly from her bank, alleging her involvement in unauthorised transactions and illicit mule account activities. To further ensnare her, the caller orchestrated a series of manipulative phone calls to individuals posing as representatives from various enforcement and regulatory agencies, including the Royal Malaysia Police and Bank Negara Malaysia.

To protect customer from scams, the bank urges the public to always be vigilant and read up on the latest scam tactics, beware when deals are too good to be true, and seek support from their banks should they suspect that they have fallen victim to scam.

Ensuring the financial security of its customers remains the Bank's priority. Maybank places significant emphasis on the importance of scam awareness and is committed to fortifying its counterfraud measures and initiatives, in order to stay ahead of emerging fraud threats and uphold the trust and security of its customers.

Maybank has successfully protected customers from losing RM6.4 million to financial scams via branch channels in 2023. To defend against scams, the Bank encourages customers to always stay alert and observe the following practices:

- Be cautious of calls and/or messages from strangers claiming to be from the authorities, banks, utility providers and enforcement/government agencies such as Polis DIraja Malaysia, Bank Negara Malaysia or Lembaga Hasil Dalam Negeri;
- Never reveal your banking details. Customers are reminded that banks and the authorities will not request for your banking details over the phone; and
- Do not transfer funds to unknown accounts. The authorities and enforcement agencies will not demand for immediate fund transfer to unknown third-party accounts.

Maybank News

Among Member Banks

Bank of Maldives launches promotion to win a Player Mascot Experience at the UEFA Champions League Final

Bank of Maldives has announced a new promotion for its Mastercard cardholders to stand a chance to win a Mastercard Player Mascot experience with tickets to attend the UEFA Champions league Final in London.

The Mastercard Player Mascot experience provides young football fans with priceless access to the UEFA Champions League Final. In this once in a lifetime experience, the young child will be able to fulfill their dreams of walking onto the pitch, hand-in-hand with their football heroes.

In this promotion, the Grand Winner will win an all-inclusive trip for two (one child, one adult) to London for 4 days. This includes return airfare tickets to London, accommodation, tickets to UEFA Champions Final match, the player mascot experience (the child gets a chance to accompany a football player entering the pitch), pocket money, and welcome gift.

Customers using Mastercard debit, credit and prepaid cards for local and international transactions till 7th May 2024 will be eligible to win.

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

Bank of Maldives

Maldives Islamic Bank's ATM Installed in Madaveli

MIB ATM services have been launched in Gaafu Dhaalu Madaveli.

These ATMs, set up by MIB in collaboration with the Madaveli council, can be used for depositing and withdrawing cash round-the-clock. Each of these ATMs can accept deposits of up to MVR 200K at a time. Moreover, businesses can utilize their business cards to deposit larger sums.

MIB stated that these are the latest ATMs, capable of accepting cash deposits even without the use of cards. Customers can deposit money without a card by providing their phone number. Upon adding the phone number, customers can receive an OTP to facilitate the deposit process. Once the OTP is verified, the amount can be deposited by entering the required account number.

This ATM installation is part of MIB's ongoing efforts to expand its services. Recently, the bank also installed ATMs in Alif Dhaal Mahibadhoo and Dhaalu Kudahuvadhoo.

MIB continues to enhance accessibility to its services nationwide.

The Edition

Trade & Development Bank Establishes Board "Sustainability Committee"

The Board of Directors (BOD) of Trade and Development Bank issued a Resolution No. 07 on February 7, 2024, to establish Sustainability Committee within the BOD, pioneering in Mongolian financial sector to establish a designated Committee with the purpose of supporting and advising Bank's usual business into sustainable and environmental practices and integrating sustainability goals into banking operations.

Boad Sustainability Committee's responsibilities will include but not limited to support and advise on advancing the development of sustainability strategies and policies to address environmental, social and governance matters within the banking operations and enhance governance on overseeing the implementation of sustainability goals and successful transition to climate disclosures.

Trade and Development Bank eagerly anticipate the ongoing support and collaboration of our valued employees, esteemed clients, trusted partners, and dedicated stakeholders.

Trade and Development Bank News

Philippine National Bank is Philippine's Best Bank for Investment Research for fourth consecutive year

Philippine National Bank has been awarded by Euromoney as the Best Bank for Investment Research in the Philippines during its Private Banking Awards last March 22. Including the recognition given by Asiamoney Private Banking Awards before it merged with Euromoney Private Banking Awards, this year is PNB's fourth consecutive win since 2021.

"This is another major achievement for PNB. It is an honor to be recognized as the Best Bank for Investment Research in the country for the fourth time around," said PNB President Florido Casuela. "This validates our consistency in providing trustworthy insights that help and guide our clients in making wise investment decisions."

According to Euromoney, PNB won the award "in recognition of the breadth, depth and quality of its investment research, which helps clients navigate economic and financial market turbulence."

PNB Executive Vice President and Financial Management, Strategy, and Sustainability Sector Head Francis Albalate expressed his appreciation for both Euromoney/ Asiamoney and PNB's Research team. "To be consistently awarded by the prestigious Euromoney and Asiamoney is really a great achievement for our Research team. This recognition demonstrates how we, at PNB, are working every step together in serving our clients through the research that we publish."

PNB's Economist and Research Division Head, First Vice President Alvin Arogo, expressed his gratitude for being recognized once again at this year's awards. "This motivates our research team even more to deliver relevant and up-to-date economic and market insights to our investors, clients, and the general banking public," he said. "We shall continue to support PNB in strengthening client relationships and meeting the changing demands of customers."

The year 2023 was a banner year for PNB. The bank's consolidated net income reached Php18.0 billion – a 55% year-on-year increase coming from robust net interest income and lower credit provisions. Net core banking income, which excludes gains on sale of acquired properties, climbed by an impressive 156% year-on-year. This translated to an improved return on equity of 10% from the 7% posted a year ago.

Euromoney has been the key magazine of the wholesale financial industry, its institutions, and its users for more than 50 years. The Euromoney Private Banking Awards is a prestigious worldwide annual awards program, recognizing the private banks of distinction across key categories. This year marks the first year Euromoney merges with Asiamoney for their Private Banking Awards.

Philippine National Bank

RCBC & Digital Wallet Corporation to develop digital banking in Philippines

Rizal Commercial Banking Corporation (RCBC), a financial service provider in the Philippines, and Digital Wallet Corporation (DWC), an IT and FinTech company in Japan, have announced their partnership to revolutionise the digital landscape of banking services in the Philippines.

By utilising RCBC's extensive reach and expertise in catering to the needs of millennials and tech-savvy consumers in the Philippines, Digital Wallet aims to further empower its customers with Smiles Mobile Remittance.

"We are thrilled to move forward on this transformative journey with RCBC," said DWC CEO Eiji Miyakawa. "This partnership signifies our shared vision of driving digitalization and shaping the future of banking in the Philippines. We're already voted number one among the OFW (overseas Filipino workers) community in Japan, so we are eager to see how much more we can enhance our customers' experience with RCBC's solid reputation."

"RCBC is excited to have forged this partnership with Digital Wallet, as this further accelerates frictionless digital cross-border transactions and fintech adoption between Filipino families in Japan and the Philippines. Digital Wallet also shares the same value we have—being a partner through generations," added Martin Tirol, RCBC FSVP and Global Transaction Banking Group Head.

According to a 2021–2022 "Survey on Overseas Filipinos" by the Republic of the Philippines, there was a 9.6 percent increase in overseas Filipino workers. The number is estimated to go up over time, indicating a need for improving fintech digitalization.

The collaboration between RCBC and Digital Wallet Corporation sparks a new era of digital banking services in the Philippines.

By harnessing the strengths of both entities, this partnership aims to redefine the FinTech landscape, offering solutions tailored to the evolving needs of Filipino customers.

IBS Intelligence

Fitch Ratings upgraded Doha Bank's Credit Rating to 'A' Stable

Fitch Ratings raised Doha Bank's credit rating from A- to A, and upgraded the bank's outlook to stable from positive. This was due to the recent upgrade of Qatar's sovereign rating which reflects the increased confidence in the country's ability to bolster its economic stability.

Fitch stated that Qatar's solid sovereign credit rating enhances its ability to intervene to address any shocks that the banking system may face and reduces exposure levels to potential risks.

In this regard, Shk. Abdulrahman Bin Fahad Bin Faisal Al Thani, the Group CEO of Doha Bank, stated that the upgrade of the bank's credit rating aligns with its efforts to strengthen its resilience and develop its operations in accordance with the strategic objectives of the government and Qatar Central Bank, contributing to solidifying Qatar's financial development in the national economy.

Doha Bank

IBEC supports the supply and sales of electric vehicles in Mongolia

The International Bank for Economic Co-operation has provided Mongolian Transport and Development Bank (TransBank) with a trade-related loan of CNY 11.5 million for one year to support the supply and sales of electric vehicles.

Mongolia has made commitments under the Paris Agreement and is striving to achieve zero carbon emissions by 2050. In accordance with the directive of the Prime Minister of Mongolia, special attention is being paid to the development of green technologies and a sustainable economy.

As of December 2023, more than 1,000 electric vehicles were registered in Mongolia, and by 2026, the Government plans to expand the electric vehicle fleet to 20,000 units. Expanding charging stations capacity and improving the regulatory framework are key aspects of this initiative.

In order to develop green technologies, TransBank introduced a new loan program "EV Loan Product", which includes various loan options for consumers to purchase electric cars and SUVs, including those from China. The program meets the criteria of several Sustainable Development Goals, including clean energy, sustainable industrial and urban development, responsible use of resources, combating climate change and others.

Moreover, part of the funds provided by IBEC under the trade-related loan will be used to finance a contract for the supply of electric SUVs to Mongolia.

Since the beginning of cooperation between IBEC and TransBank in 2021, when the parties concluded the General Agreement on the implementation of trade finance transactions in order to develop partnership and jointly support export and import operations of Mongolian companies, the parties have implemented a pool of trade finance transactions totaling more than 9 million euro equivalent in various sectors of economy and industry.

IBEC

DBS and Enterprise Singapore introduce ESG Ready Programme to help companies strengthen sustainability capability

DBS and Enterprise Singapore (EnterpriseSG) launched the “ESG Ready Programme” on April 3. The end-to-end programme aims to help local businesses – from small and medium enterprises (SMEs) to mid-size corporations – become future-ready by building capability and capacity in sustainability.

- The programme leverages the bank’s sustainability leadership and its ecosystem of partners, and has two main components: Foundational training, advisory and support to help Singapore companies learn more about sustainability, as well as guidance on sustainability strategy formulation, deployment and measurement, and
- Preferential financing rates from DBS to defray the cost of developing and adopting sustainable business practices.

To be better equipped at sustainability matters, businesses can choose to participate in either a basic or intermediate level of training, depending on their needs. Companies will also undergo an initial baseline assessment to establish their carbon footprint. By the end of the programme, they will have formulated a clear sustainability action plan or have started to implement their decarbonisation strategy.

Participating companies will also be able to access a panel of sustainability specialists to guide them on their respective sustainability journeys. Registration for the first cohort of up to 100 companies is now open and all sectors are welcome.

EnterpriseSG will support 70% of the cost of eligible activities per company till 31 March 2026. Singapore companies will also be able to leverage DBS’ suite of financing solutions at preferential rates. These include green loans, as well as sustainable trade and supply chain finance, to capture opportunities associated with decarbonisation.

The initiative comes amid Singapore’s acceleration towards a green economy, with the introduction of new policies to enable sustainable practices and mandatory climate disclosures.

DBS

UOB to cut maximum interest rate for flagship savings account from May 1

UOB will lower the interest rates for its flagship savings account from May 1, making it the first local bank to do so as market expectations build up for the possibility of rate cuts by the US Federal Reserve in the coming months.

In a letter addressed to its customers on April 1, the revision of interest rates for its UOB One Account is done “to align with long-term interest rate environment expectations”.

Like the flagship savings accounts offered by DBS and OCBC, UOB’s One account provides tiered interest rates that go up as customers grow their account balance or spend a minimum on select cards and conduct other transactions with the bank such as taking up a mortgage.

In late 2022, the lenders made aggressive hikes to the interest rates on their flagship savings accounts amid a rising rate environment, with UOB offering the highest maximum interest rate of 7.8 per cent.

With its latest move, the tiered interest rates for UOB One account holders with balances of up to S$100,000, credit their salary to the bank and meet a minimum spend of S$500 a month on an eligible bank card will range from 3 per cent to 4.5 per cent per annum.

This is down from the current 3.85 per cent to 7.8 per cent.

CNA

HNB recognized for digital payment innovation with three awards at LankaPay Technnovation Awards 2024

Sri Lanka's leading private sector bank, HNB PLC, recently won three awards at the LankaPay Technnovation Awards 2024, including the 'Bank of the Year for Excellence in Customer Convenience title'.

Hosted by LankaPay to recognise and reward flag bearers and promoters of innovative digital payment solutions, the awarding night was held at Shangri-La Hotel Colombo on the 20th of March, with the participation of Chief Guest State Minister of Technology Kanaka Herath and State Minister of Finance Shehan Semasinghe,

"These awards are a recognition of our team's work towards pioneering digital payment solutions and our ethos to always prioritise customer convenience. As Sri Lanka embraces a digital payments uptake, particularly regarding financial requirements, our recognition by LankaPay validates our efforts and motivates us to further enhance our digitalization drive further," said Sanjay Wijemanne, DGM - Retail Banking Group at HNB.

In addition to being presented with the Gold Award for the 'Bank of the Year for Excellence in Customer Convenience', HNB also won the Silver Award for 'Best Digital Payment Strategy' and a Merit Award for 'Most Popular Digital Payment Product'.

HNB's drive for digitalisation took notable steps forward over the past year, unveiling new products and significantly improving their current digital portfolio. Notably, HNB recently launched HNB TXB – a powerful integrated digital transaction banking platform that offers companies – from MSMEs to MNCs – enabling enterprises of any size to gain complete visibility and management over payments, cash management, global trade, value-chain financing, treasury and settlements of foreign currency transactions. The Bank also rolled out HNB Self Onboarding, a transformative digital banking solution that allows any Sri Lankan national the opportunity to sign up for the full range of HNB's key products entirely remotely.

Initiated in 2017 to recognise the pioneers of payment technology innovations in the country, the LankaPay Technnovation Awards institutions enhance the efficiency of the national payment network.

"It is quite evident that the world is seamlessly adapting to digital mediums, especially in financial and banking requirements. HNB will continue to understand this shift and work to innovate and improve its digital payments products." HNB AGM-Digital Business Chammika Weerasinghe said.

Hatton National Bank

Bank of Taiwan launches Commemorative Coin for the One Love 2024

The Bank of Taiwan will begin selling Commemorative Coin for the One Love 2024 1oz Silver Proof Coin from April 18, 2024.

Customers can purchase it through the "Gold business main page" – "Frequently used services"– "Commemorative coins and coin sets" section of the Bank of Taiwan's website, Department of Business, and branches (excluding mini-branches). The retail price is NT$2,898/piece. (The Bank will not repurchase this item.)

This 99.99% pure silver coin, weighing one ounce, is officially issued by the Australian government and minted by the Perth Mint. On the reverse, it features a pair of doves representing love, peace, and harmony, alongside the golden infinity symbol "∞" signifying eternal love, decorated with flowers and leaves. The inscriptions include "two hearts, two lives, One Love," the year of issue (2024), and the "P" mark for Perth Mint.

The obverse side features the effigy of His Majesty King Charles III by Dan Thorne, the country of issue (AUSTRALIA) , denomination (1 DOLLAR) , weight (1 oz) and purity (9999Ag). The mintage is limited to 5,000 pieces worldwide.

With a diameter is 40.9mm and a thickness of 3.5mm, this coin showcases a polished mirror finish that highlights the delicate design details. Each coin is presented in a transparent display case and comes packaged in an elegant, bow-tied gift box. This romantic treasure is not only suitable for personal collection but also makes an excellent gift for your loved ones!

Bank of Taiwan

Chang Hwa Bank eyes stable growth

State-run Chang Hwa Commercial Bank (CHB) said March 26 it is looking at stable profit growth this year on the back of improving loan demand, as exports and private investments come out of the woods after several quarters of inventory adjustments.

"We aim to increase outstanding loans by 3 to 5 percent this year, faster than last year's 3.9 percent advance," CHB spokeswoman Wang Shwu-fang told an investors' conference in Taipei.

Taiwanese firms would display more interest in capital spending and capacity expansion, as exports steadily emerge from technology product adjustments, Wang said.

The lender reported that net income last year grew 18.33 percent year-on-year to NT$12.98 billion (US$406.95 million), or earnings per share of NT$1.2.

Net interest margin shed 2 basis points to 0.82 percent at the end of 2023, as high borrowing costs curbed loan demand.

Taiwan's interest rate remains quite low compared with that of the US, which is favorable for foreign exchange swaps, a major profit driver in recent years and hopefully in the first half of this year, Wang said.

CHB expects the US Federal Reserve to start cutting interest rates in June to avoid an economic hard landing, she said.

As for investments, the lender said it would raise its stake in US bonds in batches to expand fixed income, and increase holdings in stocks that pay generous cash dividends and support environmental protection and social responsibility.

While focusing on corporate banking, CHB is looking to gain market share in mortgage operations and land financing, it said.

Property development might slow slightly this year, but housing transactions would pick up, buoyed by first-home purchases to take advantage of the government's interest subsidy, it said.

Developers are likely to slow new project launches and prioritize digesting unsold houses, as authorities have no intention of easing credit controls, CHB said, adding that it would still focus on urban renewal projects this year.

CHB is seeking to boost profit contributions from overseas to 30 percent this year, from 11 percent last year, Wang said.

Its branch in Hong Kong is expected to generate the largest pre-provision income, followed by branches in the US and Singapore, she said.

CHB on March 25 opened a new branch in Japan and plans to set up new branches in Canada's Toronto, Australia's Sydney and in Southeast Asia, she added.

Taipei Times

Land Bank reports Record High Profit for the 2023 Year, aims for Greater Heights in New Year

With the auspicious start of the Year of the Dragon, the Land Bank of Taiwan organized a Lunar New Year gathering on the sixth day of the lunar calendar (February 15, 2024). Land Bank Chairwoman Chuan-chuan Hsieh, General Manager Ying-ming He, and unit managers connected via video conference to different branches to commend the Land Bank's staff for their outstanding performance in the 2023 fiscal year. The Land Bank achieved a historic high in pre-tax profits, amounting to NT$17.043 billion.

Looking ahead to 2024, Chairwoman Hsieh emphasized the importance of embracing the ethos of "advancing beyond yesterday" among all staff members. They are encouraged to persist in generating outstanding accomplishments for both the Land Bank and themselves.

Within the framework of the Land Bank's five primary strategic objectives—namely, "equitable credit allocation," "diversified revenue streams," "quality talent cultivation," "digitalization of operations," and "commitment to sustainable development"—the Land Bank will formulate more comprehensive and in-depth annual strategies.

These strategies will be meticulously tracked through Gantt charts to ensure progress, with dynamic adjustments facilitated by ongoing feedback mechanisms. Additionally, real-time incentive structures will be implemented to enhance the thorough implementation and agility of established strategies.

Regarding "equitable credit allocation," the Land Bank is proactively increasing its corporate credit capacity by leveraging its current land and construction development loan credits. This involves adjusting the credit structure, managing risk asset utilization, and proactively preparing to comply with forthcoming BIS (Capital Adequacy Ratio) regulations.

For the year ahead, the Land Bank places significant emphasis on "diversified revenue streams," particularly through financial operations and fee income. In addition to actively allocating resources to cater to the business-driven fee income ratio of high-asset clients, there is a concerted effort to increase the proportion of financial operations to an optimal level.

To foster a positive corporate workplace culture, the Land Bank is actively implementing initiatives to exemplify its "quality talent cultivation" strategy this year. It has introduced HR policies and systems tailored to the needs of the new generation of employees, providing excellent talents with enhanced development opportunities.

Given the evolving landscape of technology and the escalating risks associated with information security, cybersecurity has emerged as the cornerstone of the Land Bank's "digitalization of operations" initiative. To bolster customer convenience and promote financial inclusion, the Land Bank continuously updates improvement plans for its financial service pathways based on customer feedback. This ensures that the Land Bank's app and digital services remain user-friendly and accessible.

On "commitment to sustainable development," the Land Bank has established new ESG (Environmental, Social, and Governance) objectives for the upcoming fiscal period. The Land Bank not only adheres to both GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) standards for compiling ESG reports but also integrates ESG considerations into its investment, financing, and product evaluation processes. The Land Bank has instituted broad exclusions for certain industries and imposed upper limits on investments and financing for environmentally detrimental or energy-intensive sectors. Additionally, it is exploring the implementation of greenhouse gas inventories at operational sites to bolster the competitiveness of its sustainable operations.

At the conclusion of the Lunar New Year activities, Chairwoman Hsieh drew inspiration from the Chinese proverb "Those that succeed stick to long-term goals, those that fail often set new goals" to motivate the bank's staff to set and pursue long-term objectives in the new year. She urged everyone to contribute their utmost efforts to ensure the Land Bank attains remarkable performance and success in the forthcoming year.

Land Bank of Taiwan

Among Member Banks

Fubon Financial Holdings Reports March 2024 Earnings Results

Fubon Financial reported unaudited consolidated pre-tax profit of NT$8.496bn and net profit of NT$8.005bn in March. Cumulative consolidated pre-tax profit and net profit was NT$34.970bn and NT$30.385bn, respectively, translating into EPS of NT$2.33. Monthly and cumulative net profit of Taipei Fubon Bank and Fubon Securities were the highest in record for the same period.

Fubon Financial

Taiwan Cooperative expects growth

State-run Taiwan Cooperative Financial Holding Co on March 29 said that it is looking at stable profit growth this year, as the improving economy at home and abroad would benefit core businesses and reverse loss-making overseas operations.

The bank-focused conglomerate gave the guidance during an online investors' conference and said that economic scenes appear less murky, limiting the need for provisions.

Taiwan's GDP growth this year is predicted to rise more than 3 percent, much faster than last year's 1.32 percent.

Taiwan Cooperative Bank

Bangkok Bank reports a net profit of Baht 10,524 million for the first quarter of 2024

Bangkok Bank and its subsidiaries reported a net profit of Baht 10,524 million in the first quarter of 2024, an increase of 18.7 percent from the fourth quarter of 2023. Net interest income declined due to an increase in interest expenses on deposits, following the gradual rise in interest rates from maturing deposits. This resulted in a net interest margin of 3.06 percent. Non-interest income increased as a result of investment income as well as net fees and service income from better performance of bancassurance and mutual fund services. Operating expenses decreased while the cost to income ratio stood at 47.1 percent. As part of its continuous prudent management, the Bank set aside Baht 8,582 million in expected credit losses to accommodate uncertainties going forward.

Bangkok Bank continues to operate under its prudent management approach and retains financial, liquidity and capital positions at a healthy and appropriate level to deliver strong and sustainable growth

At the end of March 2024, the Bank's total loans amounted to Baht 2,736,427 million, an increase of 2.4 percent from the end of last year from loans to large corporate customers and loans made through the Bank's international network. The non-performing loan to total loans ratio remained manageable at 3.0 percent. Under the Bank's continuous prudent management approach, the ratio of the allowance for expected credit losses to non-performing loan remained strong at 291.7 percent.

As of March 31, 2024, the Bank's deposits amounted to Baht 3,198,332 million, a similar level to the end of last year, while the loan to deposit ratio stood at 85.6 percent. The total capital adequacy ratio, Tier 1 capital adequacy ratio, and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries stood at 19.7 percent, 16.3 percent and 15.6 percent respectively, comfortably above the Bank of Thailand's minimum capital requirements.

Bangkok Bank

Fitch Ratings upgrade Uzbekistan's National Bank viability rating to 'b+'

Fitch Ratings upgraded the Viability Rating (VR) of the National Bank of Uzbekistan (NBU) for Foreign Economic Activity to 'b+' from 'b'. Concurrently, the agency affirmed the Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'BB-' with Stable Outlooks. The elevation of NBU's VR to 'b+' is primarily attributed to its dominant market presence in Uzbekistan, underscored by a consistent record of stable asset quality and robust capitalisation across financial cycles.

Additionally, Fitch acknowledges the bank's strategic pivot towards a more commercially oriented business model, which notably enhanced profitability metrics.

NBU's affirmed Long-Term IDRs mirror Fitch's assessment of a moderate likelihood of governmental support, should it be required. This assessment is grounded in the bank's full state ownership, significant systemic role, and its strategic function in financing key industrial sectors within Uzbekistan. The perceived low cost of potential support with the state's international reserves further bolsters this view.

Daryo

Among Member Banks

Vietcombank's success with VCB CashUp by iGTB from Intellect Design Arena

Originally established as a foreign trade bank, the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) has evolved into a versatile financial institution offering a comprehensive suite of services.

As part of its digital transformation journey aimed at becoming the premier digital bank in Vietnam, Vietcombank has been seeking to adopt cutting-edge banking practices and advanced technologies. This case study highlights the successful deployment of the VCB CashUp project by Intellect Design Arena.

VCB CashUp encompasses a robust transaction banking product suite, including Digital Payments, Enhanced Liquidity Management, Supply Chain Finance, Virtual Accounts, Electronic Cash Collections & Receivables, Bill Payments, Host-to-Host services, and other sophisticated functionalities such as Information Reporting and Cash Flow Forecasting. These offerings cater to all segments of Vietcombank's corporate clientele, including Large Enterprises, State-Owned Enterprises, Foreign Direct Investment, and Financial Institutions.

Following the implementation of VCB CashUp, Vietcombank experienced notable improvements in revenue generation, operational efficiency, and customer satisfaction. Since 2021, the bank has witnessed a remarkable increase in monthly revenue, reaching VND 55 trillion, accompanied by a substantial 500% rise in overall revenue.

This case study underscores Vietcombank's successful adoption of innovative technologies to drive business growth.

A Must-Read Case Study

Innovative Digital Transformation: Explore how Vietcombank, a prominent player in the Vietnamese banking sector, embraced cutting-edge technologies to spearhead its digital transformation journey.

Comprehensive Product Suite: Delve into the features and capabilities of VCB CashUp, a comprehensive solution offered by Intellect Design Arena. From digital payments to supply chain finance, this case study provides insights into how Vietcombank enhanced its offerings to cater to diverse corporate segments.

Tangible Results: Witness firsthand the tangible outcomes achieved by Vietcombank post-implementation. From increased revenue streams to notable operational efficiency enhancements, learn how VCB CashUp propelled Vietcombank to new heights in the industry.

Revenue Growth and Operational Efficiency: Gain valuable insights into how Vietcombank achieved remarkable revenue growth, generating VND 55 trillion/month since 2021, coupled with a significant 500% increase in revenue.

Enhanced Customer Experience: Understand the pivotal role VCB CashUp plays in enhancing customer experience for Vietcombank's corporate clients. Learn how advanced functionalities such as information reporting and cash flow forecasting contributed to superior client satisfaction.

This case study encapsulates a compelling narrative of banking innovation and success, offering invaluable lessons and inspiration for industry experts seeking to drive digital transformation and elevate their institutions to new levels of excellence.

IBS Intelligence

VietinBank set out business plan and dividend payout plan for 2024 Shareholders' Meeting

Việt Nam Joint Stock Commercial Bank for Industry and Trade (VietinBank) is preparing to present a business plan and propose dividend payout plan at the 2024 Annual General Meeting of Shareholders.

For the period spanning 2024 to 2029, VietinBank sets an annual growth target of 9-10 per cent in total assets, credit balance and mobilised capital. The bank also aims for a return-on-equity (ROE) ratio of between 16-18 per cent while keeping the bad debt ratio below 2 per cent.

In the year 2024 alone, VietinBank projects to achieve an 8-10 per cent increase in total assets. Credit balance will be managed within the limits approved by the State Bank, and mobilised capital will align with credit growth. The bank aims to maintain a controlled bad debt ratio below 1.8 per cent.

VietinBank posted an after-tax profit of nearly VNĐ19.5 trillion (US$780 million) in 2023. After allocation of necessary funds, VietinBank retained VNĐ13.9 trillion, earmarked for stock dividend payments, subject to approval by relevant State agencies.

Vietnam News

Among Member Banks

Agribank brings digital banking experience to remote areas

With more than 3,500 ATMs/CDMs (of which nearly 2,000 are located in rural areas), nearly 25,000 POS machines and 68 mobile transaction points using specialized cars operating in rural areas, Agribank is a pioneer bank in investing and providing card services and ATM services in agricultural and rural areas, meeting the needs of people in even border areas, islands, and remote areas.

In its rural digitalization strategy, Agribank aims to use technology to simplify procedures, helping people access the most basic banking services in an easy manner.

To realize this goal, Agribank has planned to install Agribank Digital automatic banking transaction machines according to the roadmap in rural, remote and isolated areas, especially in places with limited access to common financial products and services so that people can use digital banking facilities for public service activities as well as daily transactions.

Agribank Digital automatic banking is a series of modern and most advanced technologies such as electronic identification (eKYC); biometric recognition (fingerprint and face recognition)... with stringent safety and security measures. Each Agribank Digital machine is fully equipped with banking transaction functions such as identification, registration of facial and fingerprint biometric information; account opening registration, issuing cards online; registration for electronic banking services; applying for loans online; financial transactions using biometrics.

With Agribank Digital experience, all transactions are automated with fast processing speed and high accuracy. At the same time, it empowers customers to self-serve their transaction needs.

Agribank also increases its coverage of modern payment products, supports card services in districts, towns nationwide with transactions in the field of public services (payment of electricity, water, and electricity bills, telephone bills, tuition, hospital fees, etc.), payment for agricultural input materials, payment for output agricultural products of customers who are production households, individuals, etc.

As a key bank in credit investment and providing banking services to agricultural and rural areas, Agribank has determined that the goal throughout its operations is to promote network advantages, diversify and provide high-quality retail banking products and services based on a modern information technology platform, meeting the increasingly diverse needs of customers.

Agribank

Banking and Finance Newsbriefs

Bhutan

World Bank Awards UTM for Land and Property Valuation Training in Bhutan

In a notable acknowledgment of its expertise in real estate valuation, Universiti Teknologi Malaysia (UTM) has been chosen by the World Bank to lead an essential training program. This initiative involves 30 participants focusing on land and property valuation in the Kingdom of Bhutan. This collaboration is set to play a key role in the country's ongoing economic development and sustainability efforts. As a part of Bhutan's strategic development plan, the program aims to strengthen the nation's infrastructure, enabling it to withstand and adapt to both economic and environmental challenges. Acknowledging the vital importance of accurate land and property valuation, the World Bank has entrusted UTM's Real Estate specialization to steer this transformative endeavor.

The UTM team, comprising seasoned experts, including six lecturers and a research officer in the field of land and property valuation, will develop and conduct comprehensive training tailored to Bhutan's unique landscape and economic context. Scheduled from May to November 2024, the training will adopt a hybrid format, combining online sessions with in-person workshops. This approach is designed to meet the varied needs and schedules of the participants. The goal is to equip local professionals with the knowledge and skills necessary to perform valuations that truly reflect the potential and risks associated with property assets.

This partnership's ultimate goal is to create a comprehensive framework for property valuation, supporting different aspects of Bhutan's economy such as mortgage lending, taxation, and investment strategies. These facets all rely on precise land and property value assessments. The program is also expected to encourage the adoption of international valuation standards in Bhutan, further integrating the country into the global economy. UTM's expertise is central to this initiative, with the World Bank and Bhutanese authorities working towards long-term resilience and fiscal stability. UTM's involvement in Bhutan's development narrative is a noteworthy chapter in the consultancy's legacy and a significant step in realizing the Kingdom's ambitious development goals.

Through this engagement, UTM is poised to make a lasting impact on Bhutan's economic landscape, underscoring the importance of skilled property assessment in national development. UTM is a leading institution in property valuation in Malaysia, offering this discipline at the degree level since 1973. Its graduates have become professionals in Malaysia's real estate sector, with alumni occupying leadership positions in major real estate companies across the country.

UTM News

India

IMGC ties up with Bank of India to offer mortgage guarantee-backed home loan products

India Mortgage Guarantee Corporation (IMGC) has announced its strategic partnership with the Bank of India (BOI) to offer mortgage guarantee-backed home loan products.

"This collaboration will focus on salaried and self-employed home loan customers in the affordable housing segment. Leveraging IMGC's guarantee expertise and BOI's network of over 5,100 branches across India, this collaboration will enable the public sector bank to provide home loan products with greater flexibility and security to potential homeowners," IMGC said in a statement.

IMGC's guarantee will mitigate the risk of defaults for the bank, allowing them to potentially offer more favorable loan terms to borrowers.

With the rising demand in the affordable housing segment, this product aims to make home ownership more accessible for a wider range of borrowers in India, the Corporation said.

Mahesh Misra, MD & CEO of IMGC, said, "The BOI–IMGC tie-up will enable both institutions to expand coverage in their target borrower segments. The products will promote financial inclusion and aid in early home ownership."

A K Pathak, Chief General Manager, BOI said, "The bank has launched a home loan product with mortgage guarantee provided by IMGC to strengthen credit delivery system and facilitate flow of credit to affordable housing sector."

The Hindu Businessline

Iran

Iranian currency plunges to record low against dollar after strikes on Israel

Iran's currency, the rial, briefly plunged to a record low against the dollar on the unofficial market, after Tehran launched an expansive missile and drone attack on Israel on night of April 13, exacerbating tensions in the Middle East.

CNBC

Japan

Bank of Japan's Noguchi says future rate hikes likely to be slow

Bank of Japan board member Asahi Noguchi said on April 18 that the pace of future rate hikes by the central bank will likely be far slower than the aggressive rate hikes of other major central banks.

"With regard to the pace of policy rate adjustment, it is expected to be slow, at a pace that cannot be compared to that of other major central banks in recent years," Noguchi said in a speech to business leaders in the south-western city of Saga.

"This is because ... it would take a reasonable amount of time to reach a situation where prices continue to rise at around 2 per cent as a trend," he said.

The BOJ ended eight years of negative interest rates and other remnants of its unorthodox policy last month, making a historic shift away from its focus on reflating growth with decades of massive monetary stimulus.

Investors are looking for any clues on how soon the central bank will raise short-term interest rates again from the current 0 to 0.1 per cent range, with bets on the timing ranging between July and the final quarter of this year.

A former academic, Noguchi was among two dissenters on the BOJ's nine-member board in the decision last month to end eight years of negative interest rates and other remnants of its massive stimulus programme.

The Business Times

South Korea

Bank of Korea chief signals readiness to deal with volatile currency moves

Bank of Korea (BOK) Governor Rhee Chang-yong said on April 17 authorities have the resources and tools to smooth out any volatile moves in the country's currency, signaling readiness to intervene in the market to shore up the won.

Rhee also said an expected delay in the U.S. interest rate cut timing and sticky domestic inflation have complicated the BOK's decision on when to pivot from tight monetary policy.

Receding expectations of a near-term rate cut by the U.S. Federal Reserve caused "a lot of headwinds" for the won, Rhee said during an International Monetary Fund panel session in Washington D.C.

"Our exchange rate deviated a little bit from what could be justified by market fundamentals," Rhee said in reference to the South Korean won's moves in the past few weeks.

But he added that the recent exchange-rate market environment was different from that of mid-2022, when the dollar was rising steadily on expectations of sustained, high U.S. interest rates.

"This time is a little bit different," with the dollar's rise driven more by expectations of a delay in the timing of the Fed's first rate cut, Rhee said.

Once uncertainty over the U.S. rate-cut timing recedes, the pressure on emerging market currencies will likely subside, he said.

"I think the impact on the emerging market exchange rate from U.S. monetary policy changes ... will be transitory compared with one and a half years ago," Rhee said.

When the U.S. Federal Reserve hinted mid-last year the chance of a near-term rate cut, there were prospects the BOK could set monetary policy more independently from the Fed's decision, Rhee said.

Such prospects changed on fading chances of a near-term Fed rate cut, as well as stubbornly high domestic headline inflation that risked pushing up inflation expectations, he said.

"The pivot timing is tricky," Rhee said. "We'd like to see more evidence that inflation is going down as we expect."

CNA

Malaysia

Bank Negara Malaysia says will keep Malaysian financial markets in order

Bank Negara Malaysia (BNM) says it will ensure that Malaysian financial markets remain orderly and continue to function efficiently in light of the current geopolitical situation.

Bernama reported the central bank as saying in a statement that it "continues to closely monitor conditions in the financial markets and will manage any risks arising from heightened financial market volatility", following Prime Minister Anwar Ibrahim's statement yesterday on the conflict in the Middle East.

BNM said it had engaged with financial market participants, including heads of treasury operations, who concurred that any uncertainties would recede and stabilise once the geopolitical situation de-escalates.

It said it would also ensure sufficient liquidity and the orderly functioning of the foreign exchange market, supported by ongoing initiatives with government-linked companies, government-linked investment companies, corporations and exporters to bring more inflow and liquidity into the foreign exchange market.

Anwar, who is also the finance minister, said the federal government was keeping a close eye on developments in the Middle East and would take appropriate action to safeguard the nation's financial and economic stability.

He said he had chaired a meeting on April 14 with deputy prime minister Ahmad Zahid Hamidi, agriculture and food security minister Mohamad Sabu and other top officials to discuss the conflict in the region.

Anwar also said that the government was keeping a close watch on developments and the position of financial markets, including the potential impact on Malaysia.

Daily Express

Mongolia

Capital Markets Mongolia Announces Mongolian Banking Forum in New York

Mongolian Investment Week is set to be held on April 22-24, 2024, in New York, bringing together key stakeholders from Mongolia's bank and finance sector together with global investor communities.

Capital Markets Mongolia LLC (also known as "CMM") is pleased to announce the Mongolian Banking Forum in New York, bringing key stakeholders to promote Mongolia's growth potential to a global audience of investors and industry experts.

Collaborating with the Central Bank of Mongolia, the Finance Ministry of Mongolia, the Financial Regulatory Commission of Mongolia, and Mongolia's Banking Association, the Mongolian Banking Forum will be held on April 23 at Lotte New York Palace.

Confirmed delegates at the Forum include Lkhagvasuren Byadran, the Governor of the Central Bank of Mongolia, Bayarsaikhan Dembereldash, Chairman of Financial Regulatory Commission of Mongolia, Sonor Luvsandorj, Director General of Financial Policy Department of Ministry of Finance of Mongolia, banking executives and many distinguished guests from the sector.

Heavily digitized and adapted by financial technologies, the financial sector in Mongolia is dominated by the banking sector.

With a focus on navigating the diverse opportunities available in Mongolia, "Mongolian Banking Forum" promises to be an enriching experience for all attendees.

Yahoo! Finance

Banking and Finance Newsbriefs

Philippines

Philippine financial resources reach P31 trillion in February 2024

The Philippine financial system's resources rose at a healthy pace at the end of February, buoyed by banks' and non-banks' bullish outlook.

Data from the Bangko Sentral ng Pilipinas showed that the financial system's resources climbed to P30.87 trillion. This was driven by a 9.46 percent increase in banking system resources to P25.57 trillion, with big banks accounting for the bulk at P24.14 trillion. Thrift banks and rural and cooperative banks held the remainder.

The BSP said the banking system continued to improve in both resources and asset quality.

Non-banking financial institutions (NBFIs) also chipped in, with resources reaching P5.12 trillion as of September 2023, according to the latest available data.

NBFIs include investment houses, financing companies, securities dealers, pawnshops, lending institutions, non-stock savings and loan associations, credit card companies, private insurance firms, and even government social security institutions.

The BSP supervises 44 big banks, 42 thrift banks, 388 rural and cooperative banks and a handful of new digital banks.

The financial system's resources have been on an upward trend, hitting P31.12 trillion in 2023, compared to P28.86 trillion in 2022.

Bilyonaryo

Qatar

Qatar: Commercial banks credit facilities increase 5.3% to $360bln in February, 2024

Qatar's banking sector witnessed continued growth in February 2024 as commercial banks saw an increase in deposits and credit facilities.

The total deposits stood at QR1028.646bn in commercial banks in February 2024 when compared to January 2024 which amounted to QR1014.325bn showing a monthly rise of 1.4 percent. Meanwhile in February 2023 the total deposits reached QR950.169bn showing a surge of 8.3 percent on a yearly basis.

The public sector deposits for February this year stood at QR368.960bn in commercial banks representing a rise of 2.2 percent and 14.8 percent on monthly and yearly basis. On the other hand private sector deposits totaled QR476.802bn in February 2024 recording a jump of 1.1 percent and 5.5 percent respectively on month on month and year on year basis.

The non-resident deposits in commercial banks in February this year amounted to QR182.884bn registering an increase of 0.7 percent and 4.2 percent on monthly and yearly basis.

According to the official data Qatar's commercial banks credit facilities in public sector during February 2024 reached QR389.103bn registering an increase of 7 percent on yearly basis and monthly decrease of 0.7 percent. While the private sector credit facilities during the review period stood at QR868.455bn seeing a monthly decline of 0.4 percent and yearly jump of 5.3 percent.

The non-resident credit facilities in commercial banks stood at QR55.365bn. The country's commercial banks total credit facilities amounted to QR1.312 trillion in February 2024 showing a monthly rise of 5.3 percent and a yearly decline of 0.5percent.

Zawya

Russia

IMF says Russia will grow faster than the US and all other advanced economies in 2024

Russia's economy is expected to grow significantly faster than major developed economies this year, including the US, according to the International Monetary Fund (IMF).

The country's war-time economy is forecast to grow by 3.2% in 2024, largely outpacing expected growth for other advanced economies including the US (2.7%), Germany (0.2%), the UK (0.5%), and Japan (0.9%), IMF said in a report published on April 16.

The surging growth rate has been linked to the effects of "high investment" and "robust private consumption" buoyed by wage growth in a tight labor market, though the IMF said it expects these effects to taper off in 2025, with a growth rate of 1.8%.

The forecast is a wake-up call for Western countries that have hoped to throttle Russia's economy with sanctions to make its war in Ukraine unsustainable. Growth at that level would back up Vladimir Putin's claims that Russia's economy has withstood the most dire effects of Western sanctions and trade restrictions.

Meanwhile, as foreign companies leave Russia amid the war, Moscow has been accruing funds from fleeing firms, seizing $387 million as of mid-March.

In its energy trade, sustained oil and commodity exports to major markets like India and China, alongside Russia's sidestepping of G-7 countries' oil price cap, have enabled it to maintain strong energy exports.

Russia's resilience against Western sanctions stems largely from its boundless alliance with China. Trade volume between the two countries surged to a record $240 billion last year, fueled in part by Beijing's appetite for essential Russian commodities that have been discounted amid the West's reluctance to trade with Moscow.

Yahoo! Finance

Banking and Finance Newsbriefs

Singapore

MAS Sets Aside $26m to Support Upskilling Singapore's Financial Services Sector Workforce in Sustainable Finance

The Monetary Authority of Singapore (MAS) has set aside SGUD 35 million ($25.7 million) in the Financial Sector Development Fund to support upskilling and reskilling, and develop specialists in sustainable finance over the next three years.

MAS said in a statement on April 17 that the Key initiatives to upskill the financial services sector workforce include expanding the suite of sustainable finance courses for individuals, and implementing an IBF Skills Badge to recognize industry professionals' acquisition of sustainable finance skills.

According to the statement, two undergraduate programs focusing on sustainable finance will be developed.

The Nanyang Technological University Bachelor of Accounting in Sustainability Management will be available for enrolment from August 2024, and the National University of Singapore is working towards introducing a new specialization in sustainable finance within its business school in the near future.

Meanwhile, more than 65 new executive courses and a new executive masters in sustainable finance will be launched this year by institutes of higher learning, training providers such as the Singapore College of Insurance and Wealth Management Institute, and centers of excellence such as the Singapore Green Finance Centre (SGFC) and the Sustainable and Green Finance Institute (SGFIN).

This builds on the wide base of more than 100 IBF-accredited and recognized sustainable finance courses available today, covering areas such as sustainability risk management and sustainable investment management.

As for the skills, MAS reckoned that the skills badge will serve as an industry benchmark to recognize individual's skills mastery and support skills-based hiring and promotion by employers.

These initiatives build on existing support for both finance and non-finance professionals in reskilling for sustainable finance job roles, in particular, through WSG's Career Conversion Program (CCP) for Financial Services.

It is noted that MAS and Institute of Banking and Finance (IBF), supported by Workforce Singapore (WSG), have on Wednesday launched the Sustainable Finance Jobs Transformation Map (JTM), which lays out the impact of sustainability trends on jobs in Singapore's financial services sector and the emerging skills that the workforce will require to serve sustainable financing demand in the region.

The JTM study, conducted by KPMG in Singapore, projects that the sustainable finance market in ASEAN over the next decade will amount to SGD 4 trillion ($2.94 trillion) to SGD 5 trillion ($3.67 trillion).

The study showed a robust and skilled workforce will strengthen Singapore's ability to serve the growing sustainable finance market in ASEAN and Singapore's financial services sector workforce should aim to undergo upskilling within the next three years to seize these opportunities.

The study found that more than 50,000 professionals in the financial services sector will see new sustainable finance-related tasks added to their jobs to a moderate to high degree.

Examples of these new tasks include incorporating sustainability risks into enterprise risk management frameworks, or structuring specialized products to meet sustainable finance demands.

The study also found 20 unique job roles are high priority roles for upskilling.

These include relationship managers in corporate banking, who will need knowledge in sectoral decarbonization pathways and sustainable finance instruments, so as to identify and explain related service offerings to clients.

These also include portfolio managers, who will need skills in sustainable investment management and the ability to construct appropriate investment portfolios based on investors' sustainability strategies and preferences.

The study also found new job roles will emerge, in areas such as sustainability risk and sustainability strategy.

These new roles will become more prevalent as financial institutions increasingly prioritize sustainability as a core business strategy for their organizations.

"ASEAN's sizeable sustainable financing needs over the next decade present significant opportunities for Singapore's financial centre to support the region's transition to net zero," said Chia Der Jiun, Managing Director, MAS.

"MAS is strongly supportive of efforts across financial institutions and the training providers to upskill the financial services sector workforce in a timely fashion,

"I encourage professionals to tap on the available support and deepen their sustainable finance capabilities to capture these opportunities," he added.

Meanwhile, IBF Chief Executive Officer Carolyn Neo said that the launch of the Sustainable Finance JTM serves as a timely resource for financial institutions and individuals to identify new specific skillsets needed to stay resilient and future-ready.

"IBF's new skills badge will provide a common industry benchmark to recognize individuals' acquisition of sustainable finance skills, and facilitate upskilling, skills-based hiring and job mobility,

"IBF will continue to curate new training programs in sustainable finance, to meet growing demand and enhance individuals' access to relevant quality courses," she added.

WSG Chief Executive Dilys Boey said that through WSG's collaboration with MAS and IBF, the Sustainable Finance JTM marks a significant step towards building a skilled workforce to serve the growing sustainable finance market in Singapore and ASEAN.

"It underscores our commitment to equip Singaporeans with the skills and knowledge needed to thrive in the evolving landscape of sustainable finance, while contributing to the nation's sustainability goals,

"Financial institutions can tap on WSG's CCP for Financial Services to equip mid-career new hires and existing financial services professionals with the emerging skills like sustainable finance instruments or sustainability risks, necessary to support the financial sector achieve its sustainable finance goals," she added.

TNGlobal

Taiwan

Taiwan's earthquake economic fallout to be minimal, say analysts

Taiwan's biggest earthquake in the last 25 years is not likely to affect the global semiconductor supply chain in a major way in the near term. However, prices of electronic devices like smartphones and personal computers may see a momentary spike, according to analysts.

The 7.2-magnitude earthquake struck Taiwan's eastern coast near Hualien County on April 3 morning, reportedly killing nine people and injuring more than 1,000.

According to analysts, the semiconductor supply chain is not expected to witness a major impact in the near term.

"It looks like the economic impact will be minimal. The earthquake was centred in Hualien County on Taiwan's east coast. It is known more as a centre of tourism rather than a centre of business or commerce. If the quake had been centred in Taipei or on the west coast where much of the semiconductor industry is located, the economic impact would be much greater," said Steve Cochrane, Chief APAC Economist at Moody's Analytics.

Much of the impact, Cochrane said, depends upon whether the semiconductor fabs find any damage in their equipment that would cause production delays.

"Fabs are reported to have been closed for a half-day or the entire day, but not longer. Thus, barring the discovery of damage to manufacturing equipment, production delays will be minimal," he said.

The island nation plays a huge role in the global chip supply chain as it is home to the world's largest chipmaker, Taiwan Semiconductor Manufacturing Co, which supplies chips to the likes of Apple and Nvidia.

Said Pankaj Mohindroo, Chairman of India Cellular and Electronics Association (ICEA): "Taiwan is an extremely resilient nation. We do not foresee any adverse impact on the supply chain of mobiles and electronics."

Original equipment manufacturers (OEMs) are, likewise, not anticipating major disruptions in chip procurement.

"It is too soon to tell but the impact should be minimal, unless semiconductor fabs are damaged. Then we might see some impact but we do keep reserve inventory in case of such emergencies, so we don't anticipate any hindrances," said an executive at a large PC manufacturer under the condition of anonymity.

Queries sent to Vivo, Realme, and Xiaomi did not elicit an immediate response.

Regardless, analysts do expect a momentary spike in the prices of electronic devices as a result of the operational disruptions.

"Whenever there has been a natural calamity in Taiwan in the past, it has affected the supply chain, especially memory and other such components which has led to prices skyrocketing. So, I am expecting some interruption," said Faisal Kawoosa, co-founder and chief analyst at research firm Techarc, adding, "It's not just about the facility being affected. It is also about the workers and how they have been impacted, which remains to be seen."

Kawoosa added that, unless there is extreme infrastructure damage, there might be some minor fluctuations in pricing of electronic prices. However, these spikes will be momentary.

The development has, however, opened up conversations about reducing reliance on Taiwan and diversifying the semiconductor supply chain.

"While my thoughts are with our friends in Taiwan, today's earthquake serves as a stark reminder of the fragility of the semiconductor supply chain. We must address this precarious situation by prioritising efforts to diversify and fortify the semiconductor supply chain," said Sagar Sharma, Chief of Staff at India Semiconductor Mission.

The incident, he said, underscores the urgent need for leaders worldwide to intervene and ensure resilience and trustworthiness of the semiconductor supply chain.

"It's time to share the load of the Taiwan semiconductor industry. We need more hubs around the world for semiconductor manufacturing," Sharma added.

Business Standard

Thailand

Bank of Thailand to adjust rates amid changes

The Bank of Thailand (BoT), under pressure from the government to cut interest rates, could adjust monetary policy if the outlook for the economy changes and structural challenges clearly reduce its long-term potential growth, BoT Deputy Governor Alisara Mahasandana said.

The central bank's Monetary Policy Committee is open to all input, but needs to balance immediate and longer-term economic factors when setting rates, Ms. Alisara said.

Prime Minister Srettha Thavisin, who is also the finance minister, has openly challenged the central bank over its monetary policy, repeatedly saying rate cuts would help the economy cope with high household debt and China's slowdown.

Mr. Srettha on April 23 said he had asked the country's four largest lenders to lower interest rates to help small businesses and the economy. The four lenders are Bangkok Bank, Kasikornbank, Krungthaibank, and SCBX.

"Vulnerable groups like SMEs have a problem with a high interest rates, I asked the four to consider interest rates," Mr. Srettha told reports, adding Thai financial institutions were strong.

"The MPC welcomes and values input from all stakeholders, but when it comes to a monetary policy decision, the MPC needs to weigh between short-term and long-term impacts on monetary policy objectives, and they could have different views," Ms. Alisara said, speaking on the sidelines of the International Monetary Fund (IMF) and World Bank Spring Meetings in Washington.

Monetary policy could be "recalibrated" if there was a change in the growth and inflation outlook, and if structural impediments "clearly lower our long-term potential growth", said Ms. Alisara, who is an MPC member.

The central bank kept the key interest rate steady at 2.50%, its highest in over a decade, in a majority decision on April 10. The next review is on June 12.

The central bank forecasts Southeast Asia's second-largest economy will grow 2.6% in 2024 and 3.0% in 2025, picking up from 1.9% in 2023.

Ms. Alisara said that while higher private consumption and tourism were expected to bolster growth, uncertainties remained, including how well its exports will recover.

She said annual headline inflation was expected to return to the BoT's target range of 1-3% by the end of 2024. Energy subsidies have kept consumer prices below year-ago levels for six straight months to March, driven by energy subsidies, but prices are expected to rise in May.

Ms. Alisara said negative headline inflation "does not reflect weak demand, it's not deflation".

The baht is expected to be volatile, driven by external factors, especially dollar strength, she said. The baht has fallen 7.6% against the US currency so far in 2024, becoming Asia's second-worst performing currency behind the yen.

While a lower-yielding baht lagged other regional currencies, domestic factors should be more support than 2023, Ms. Alisara said, noting improved economic activity and Thailand's current account surplus.

Bangkok Post

Uzbekistan

World Bank approves $50 million loan for Uzbekistan's Digital Inclusion Project

The Ministry of Economy and Finance of Uzbekistan and the World Bank have signed an agreement for a $50 million concessional loan to support the implementation of the Digital Inclusion Project, as reported by the international financial organization's press service.

During the spring meetings of the World Bank Group (WBG) and the International Monetary Fund (IMF) in Washington, DC, WB Vice President of Europe and Central Asia Antonella Bassani discussed with deputy prime minister and minister of economy and finance Jamshid Kuchkarov the efforts of the government of Uzbekistan in implementing market reforms and strategies to address the impacts of climate change.

The concessional loan is expected to support the employment of approximately 9,000 young individuals from rural and remote areas of Uzbekistan, including 4,500 women and 360 people with disabilities, in information technology-enabled (ITES) services.

Furthermore, plans involve establishing up to 11 regional ITES centers across the country, providing modern office spaces. These initiatives aim to encourage ITES companies to establish offices in various regions of Uzbekistan.

Gazeta.uz

Vietnam

Vietnam central bank ready to intervene to stabilize exchange rates

The central bank is ready for immediate intervention in the foreign exchange market in case of adverse impacts from currency movements, Deputy Governor of the State Bank of Viet Nam (SBV) Dao Minh Tu announced April 19.

Tu said that the foreign currency reserves are enough to carry out intervention. "Intervention can be implemented even from today," Tu said.

The global political and economic situations have caused the currencies of many countries to depreciate significantly, including those of strong economies, by around 3-9 percent. Vietnam is no exception with the Vietnamese dong losing 4.9 percent against the US dollar compared to the beginning of the year.

Tu said that exchange rate management must ensure stability with appropriate ups and downs to minimize impacts and ensure balance.

Pham Chi Quang, Director of the Monetary Policy Department, said the SBV on April 19 announced the foreign currency intervention plan on its website. Accordingly, SBV will sell foreign currencies to credit institutions to close their negative positions at the exchange rate of VND25,450 to a dollar.

This is a bold measure by the SBV to relieve market pressure and ensure smooth foreign currency supply, Quang said, adding it would continue closely watching foreign currency markets to ensure the market's demand and control inflation.

Huge fluctuations in exchange rates significantly affect enterprises with large debts in foreign currencies.

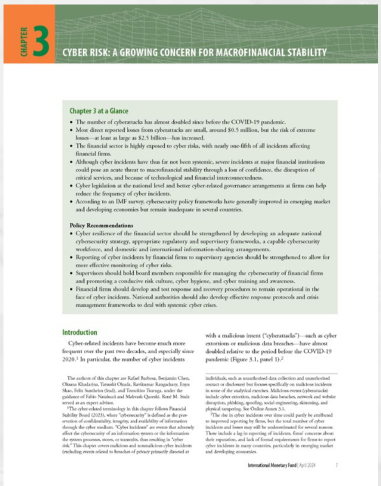
Business Inquirer

Publications

Global Financial Stability Report - Chapter 3: Cyber Risk: A Growing Concern for Macrofinancial Stability

Against a backdrop of growing digitalization, evolving technologies, and rising geopolitical tensions, cyber risks are on the rise. Chapter 3 shows that while cyber incidents have thus far not been systemic, the risk of extreme losses from such incidents has increased. The financial sector is highly exposed, and a severe cyber incident could pose macro-financial stability risks through a loss of confidence, disruption of critical services, and spillovers to other institutions through technological and financial linkages. While better cyber legislation and cyber-related governance arrangements at firms can help mitigate these risks, cyber policy frameworks remain generally inadequate, especially in emerging market and developing economies.

Thus, the cyber resilience of the financial sector needs to be strengthened by developing adequate national cybersecurity strategies, appropriate regulatory and supervisory frameworks, a capable cybersecurity workforce, and domestic and international information-sharing arrangements. To allow for more effective monitoring of cyber risks, reporting of cyber incidents should be strengthened. Supervisors should hold board members responsible for managing the cybersecurity of financial firms and promoting a conducive risk culture, cyber hygiene, and cyber training and awareness.


CHAPTER 3

CYBER RISK: A GROWING CONCERN FOR MACROFINANCIAL STABILITY

Chapter 3 at a Glance

- The number of cyberattacks has almost doubled since before the COVID-19 pandemic.
- Most direct reported losses from cyberattacks are small, around $0.5 million, but the risk of extreme losses—at least as large as $2.5 billion—has increased.
- The financial sector is highly exposed to cyber risks, with nearly one-fifth of all incidents affecting financial firms.
- Although cyber incidents have thus far not been systemic, severe incidents at major financial institutions could pose an acute threat to macrofinancial stability through a loss of confidence, the disruption of critical services, and because of technological and financial interconnectedness.
- Cyber legislation at the national level and better cyber-related governance arrangements at firms can help reduce the frequency of cyber incidents.
- According to an IMF survey, cybersecurity policy frameworks have generally improved in emerging market and developing economies but remain inadequate in several countries.

Policy Recommendations

- Cyber resilience of the financial sector should be strengthened by developing an adequate national cybersecurity strategy, appropriate regulatory and supervisory frameworks, a capable cybersecurity workforce, and domestic and international information-sharing arrangements.
- Reporting of cyber incidents by financial firms to supervisory agencies should be strengthened to allow for more effective monitoring of cyber risks.
- Supervisors should hold board members responsible for managing the cybersecurity of financial firms and promoting a conducive risk culture, cyber hygiene, and cyber training and awareness.
- Financial firms should develop and test response and recovery procedures to remain operational in the face of cyber incidents. National authorities should also develop effective response protocols and crisis management frameworks to deal with systemic cyber crises.

Introduction

Cyber-related incidents have become much more frequent over the past two decades, and especially since 2020.[1] In particular, the number of cyber incidents with a malicious intent ("cyberattacks")—such as cyber extortions or malicious data breaches—have almost doubled relative to the period before the COVID-19 pandemic (Figure 3.1, panel 1).[2]

The authors of this chapter are Rafael Barbosa, Benjamin Chen, Oksana Khadarina, Tatsushi Okuda, Ravikumar Rangachary, Enyu Shao, Felix Suntheim (lead), and Tomohiro Tsuruga, under the guidance of Fabio Natalucci and Mahvash Qureshi. René M. Stulz served as an expert advisor.

[1]The cyber-related terminology in this chapter follows Financial Stability Board (2023), where "cybersecurity" is defined as the preservation of confidentiality, integrity, and availability of information through the cyber medium. "Cyber incidents" are events that adversely affect the cybersecurity of an information system or the information the system processes, stores, or transmits, thus resulting in "cyber risk." This chapter covers malicious and nonmalicious cyber incidents (excluding events related to breaches of privacy primarily directed at individuals, such as unauthorized data collection and unauthorized contact or disclosure) but focuses specifically on malicious incidents in some of the analytical exercises. Malicious events (cyberattacks) include cyber extortion, malicious data breaches, network and website disruption, phishing, spoofing, social engineering, skimming, and physical tampering. See Online Annex 3.1.

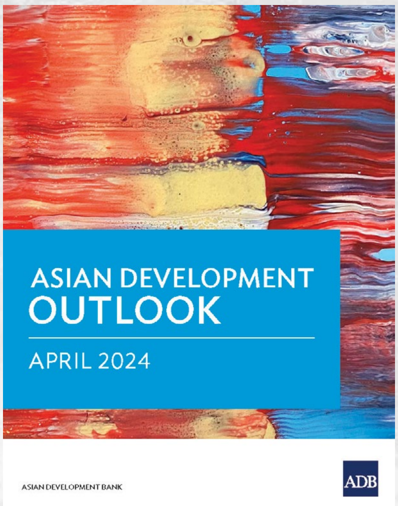
[2]The rise in cyber incidents over time could partly be attributed to improved reporting by firms, but the total number of cyber incidents and losses may still be underestimated for several reasons. These include a lag in reporting of incidents, firms' concerns about their reputation, and lack of formal requirements for firms to report cyber incidents in many countries, particularly in emerging market and developing economies.

International Monetary Fund | April 2024 1

To limit potential disruptions, financial firms should develop and test response and recovery procedures. National authorities should develop effective response protocols and crisis management frameworks.

Publication Details: IMF

Asian Development Outlook April 2024



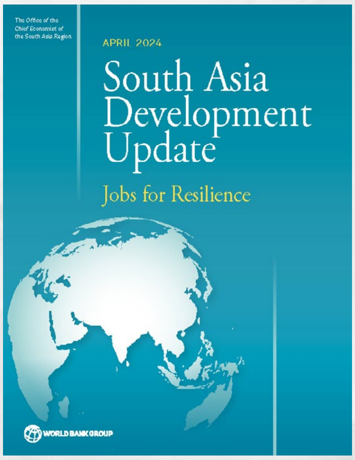
The Asian Development Outlook analyzes economic and development issues in developing countries in Asia. This includes forecasting the inflation and gross domestic product growth rates of countries throughout the region, including the People's Republic of China and India.

Developing economies in Asia and the Pacific are forecast to expand by 4.9% on average this year as the region continues its resilient growth amid robust domestic demand, improving semiconductor exports, and recovering tourism.

Publication: ADB

Publications

South Asia Development Update, April 2024: Jobs for Resilience

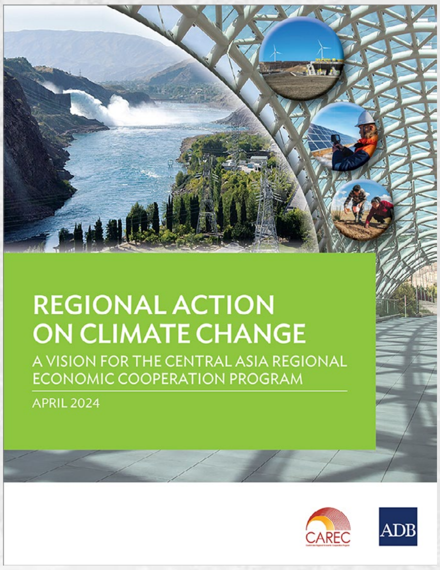


South Asia is expected to continue to be the fastest-growing emerging market and developing economy (EMDE) region over the next two years. This is largely thanks to robust growth in India, but growth is also expected to pick up in most other South Asian economies. However, growth in the near-term is more reliant on the public sector than elsewhere, whereas private investment, in particular, continues to be weak. Efforts to rein in elevated debt, borrowing costs, and fiscal deficits may eventually weigh on growth and limit governments' ability to respond to increasingly frequent climate shocks. Yet, the provision of public goods is among the most effective strategies for climate adaptation.

This is especially the case for households and farms, which tend to rely on shifting their efforts to non-agricultural jobs. These strategies are less effective forms of climate adaptation, in part because opportunities to move out of agriculture are limited by the region's below-average employment ratios in the non-agricultural sector and for women. Because employment growth is falling short of working-age population growth, the region fails to fully capitalize on its demographic dividend. Vibrant, competitive firms are key to unlocking the demographic dividend, robust private investment, and workers' ability to move out of agriculture. A range of policies could spur firm growth, including improved business climates and institutions, the removal of financial sector restrictions, and greater openness to trade and capital flows.

Publication: World Bank

Regional Action on Climate Change: A Vision for the Central Asia Regional Economic Cooperation Program



The Central Asia Regional Economic Cooperation (CAREC) Program recognizes the unique climate impacts experienced by its member countries.

Its vision for climate action aims to help coordinate the region's efforts while acknowledging individual needs. The vision seeks to support countries in preserving their essential functions, identities, and structures while incorporating learning on how best to manage the impacts of energy transformation in all sectors. Concrete steps toward collective action include agenda setting, investments for projects with regional significance, policy coordination, capacity building and research, knowledge exchange, and technology transfer.

Publication: ADB

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Amador R. Honrado, Jr., Editor;
Abby Moreno and Teresa Liu, Associate Editor
7F-2, No. 760, Sec. 4 Bade Road, Taipei 10567, Taiwan
Tel: (886 2) 2760-1139; Fax: (886 2) 2760-7569
Email: aba@aba.org.tw; Website: www.aba.org.tw