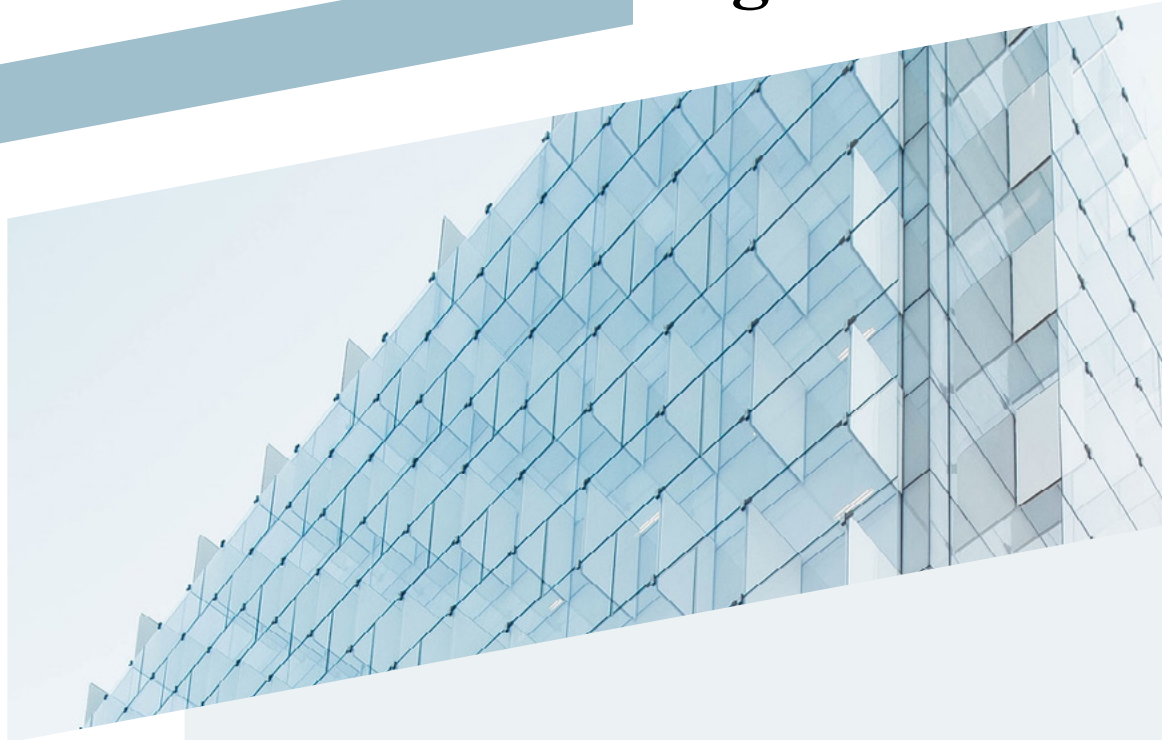


ABA NEWSLETTER 2026

August Issue



About ABA

The Asian Bankers Association (ABA) was initially established in 1981 as Asian Bankers Council as one of the Product and Service Councils of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI).

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 serve as 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.

42nd ABA General Meeting and Conference - See you in Maldives!



The countdown is almost over! The 42nd ABA General Meeting and Conference is set to take place on September 1–3, 2026 at Niva Kurumba Maldives, bringing together banking and financial leaders, policymakers, industry experts and partners from across the Asia-Pacific region for three days of high-level discussions, knowledge sharing and networking.

Hosted by the Bank of Maldives (BML), this year's Conference will be held under the theme: **“Banking in Asia: Investing to Build Resilience”**

Against a backdrop of rapid technological transformation, geopolitical uncertainty, evolving customer expectations, climate-related risks and changing economic conditions, the theme reflects the increasingly complex environment facing the region's banking industry. The Conference will explore how banks can strengthen their resilience by investing in innovation, technology, people, sustainable growth and stronger institutions, while

continuing to adapt to the opportunities and challenges reshaping the financial landscape.

Four Plenary Sessions Addressing the Future of Asian Banking

At the heart of the Conference programme will be four plenary sessions examining some of the most pressing issues facing banks and financial institutions today:

Plenary Session 1 – “Digital First for the Digital Era”

The session will explore the ongoing digital transformation of banking and how emerging technologies are changing the way financial services are delivered. Discussions will cover artificial intelligence, innovation strategies, next-generation payments, AI-powered growth, financial education in the age of misinformation, agentic commerce and cross-border payment innovation.

Plenary Session 2 – “Sustainability: Building Resilience”

With environmental, social and governance considerations playing an increasingly important role in financial decision-making, the session will examine how banks can integrate sustainability into their operations and investment strategies. Discussions will include financing climate adaptation, sustainability practices and case studies from across Asia, as well as opportunities in the blue economy and sustainable tourism finance.

Plenary Session 3 – “Success Through Synergy: Leveraging Technology for Risk”

This session will examine how technologies such as AI, machine learning, blockchain and cloud computing are transforming risk management within the banking sector. Speakers will discuss the use of risk-management technologies and predictive analytics, strategies for supporting digital progress, responsible AI in banking, and the importance of effective governance and board oversight.

Plenary Session 4 – “The New Global Order: Geopolitical Realignment and Its Implications for Asia”

Against an increasingly complex global environment, the final plenary session will examine how shifting geopolitical alliances, trade dynamics, supply-chain realignments and changing capital flows are affecting Asia’s banking sector. Banking leaders will discuss how financial institutions can navigate economic uncertainty, identify emerging opportunities and strengthen resilience through regional cooperation and strategic partnerships.

Advancing the ABA’s Policy Advocacy Agenda

An important component of the 42nd ABA General Meeting and Conference will be the ABA Policy Advocacy Committee Meeting, providing member banks with a platform to exchange views and perspectives on key policy, regulatory and operational issues affecting the banking industry across the region.

This year’s Policy Advocacy programme will focus on four key areas of growing importance to the Asian banking community, with papers and perspectives presented by representatives from ABA member banks and industry partners:

Ethical AI Governance and Policies

Mr. Zubair Ahmed, Qorus

As artificial intelligence becomes increasingly embedded in banking operations and decision-making, the paper will address the importance of establishing effective governance frameworks and policies to support the responsible and ethical adoption of AI within financial institutions.

Fraud and Cybersecurity

Mr. Shirish Pathak, Fintelekt

Against the backdrop of accelerating digitalisation and increasingly sophisticated financial crime, the paper will examine emerging fraud and cybersecurity risks and the importance of strengthening institutional capabilities and safeguards to protect banks and their customers.

Green and Sustainable Finance

Mr. Moosa Nimal, Bank of Maldives

Mr. Vipin Kumar Pandey, State Bank of India, Hong Kong SAR

With sustainability becoming an increasingly important consideration for financial institutions, the presentations will offer perspectives on the evolving role of banks in advancing green and sustainable finance, including opportunities and challenges faced by financial institutions in supporting the transition towards more sustainable economies.

Cross-Border Payment

Mr. Damith Pallewatte, Hatton National Bank

As regional economic and financial integration continues to deepen, the paper will examine developments in cross-border payments and the opportunities for banks to enhance the efficiency, accessibility and connectivity of payment systems across markets.

Through these discussions, the ABA Policy Advocacy Committee seeks to facilitate the exchange of experiences and best practices among member banks, identify issues of common concern, and develop constructive recommendations that reflect the perspectives of the regional banking community.

The Policy Advocacy programme remains an important pillar of the ABA’s work and reinforces the Association’s role as a collective voice for its members in addressing the rapidly evolving challenges and opportunities facing Asia’s banking industry.

Distinguished Keynote Speakers

Complementing the plenary and policy discussions will be keynote addresses from three distinguished international speakers:

Mr. David M. Brear, Group CEO of 11; Mr. David Atkin, Board Member of the Australian Sustainable Finance Institute and former CEO of the Principles for Responsible Investment (PRI); and Dr. Azzam Naeem, Applied AI Lead at JP Morgan.

Their keynote presentations will bring perspectives spanning digital banking and financial innovation, responsible investment and sustainable finance, and the transformative potential of artificial intelligence for finance, economic growth and entrepreneurship.

ABA and BML Thank CTBC Bank for Its Strategic Sponsorship

The Asian Bankers Association (ABA) and Bank of Maldives (BML) extend their sincere appreciation to CTBC Bank for its generous support as the Strategic Sponsor of the Conference Keynote Speakers.

CTBC Bank's valued sponsorship has contributed significantly to bringing these distinguished thought leaders to the Conference and enriching the exchange of knowledge, ideas and perspectives among delegates.

ABA and BML are grateful for CTBC Bank's

continued support and commitment to promoting knowledge sharing, industry dialogue and greater collaboration within the regional banking community.

With preparations now in their final stages, ABA and BML look forward to welcoming all delegates, speakers, members and partners to the Maldives for the 42nd ABA General Meeting and Conference!

Please contact the ABA Secretariat at aba@aba.org.tw for any inquiries.

Fintelekt Visits the ABA Secretariat

On Monday, 10 August 2026, Shirish Pathak, Managing Director of Fintelekt Advisory Services, paid a courtesy and working visit to the Secretariat of the Asian Bankers Association (ABA) in Taipei. He met with Dr. Darson Chiu, ABA Secretary-Treasurer; Amador Honrado, Senior Deputy Secretary-Treasurer; Mig Moreno, Jr., Deputy Secretary-Treasurer; and Clary Hsu, Officer at the ABA Secretariat.

The visit provided an opportunity for Mr. Pathak to express Fintelekt's appreciation to the ABA for the close cooperation developed over the years under their Knowledge Partnership. Discussions also focused on the latest preparations for the high-level roundtable on "Modernizing Taiwan Financial Crime Compliance Operations," scheduled for 11 August 2026 at the 10th Floor of Daxia Hall, Chinese Culture University's Jianguo Campus in Taipei.

The two sides also discussed plans for the ABA-Fintelekt training programme for the fourth quarter of 2026 and throughout 2027, covering both online and in-person activities. Fintelekt and the ABA maintain an active annual programme of webinars, workshops and professional training initiatives aimed at strengthening



knowledge-sharing and capacity-building among banking and financial-sector professionals across the region.

In addition, the discussions explored the possibility of organizing a first-ever Taiwan AML Conclave in Taipei in 2027, bringing together leading Taiwanese anti-money laundering and financial crime compliance professionals with international experts. The proposed event would provide a dedicated platform for exchanging experiences, discussing emerging regulatory and technological developments, and strengthening cooperation between Taiwan's financial sector and the wider international AML community.

ABA Webinars and Training Programs

ABA Convenes High-Level Dialogue on Modernizing Financial Crime Compliance in Taiwan

Fintelekt[®]

The Asian Bankers Association (ABA), in cooperation with its Knowledge Partner Fintelekt

Advisory Services and SymphonyAI, successfully held a high-level roundtable on "Modernizing Taiwan Financial Crime Compliance Operations" on August 11, 2026, at Chinese Culture University's Jianguo Campus in Taipei.

The roundtable brought together senior anti-money laundering (AML) and compliance executives from 11 leading Taiwanese banks, alongside government officials, financial-crime specialists and technology experts, for a candid

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exchange on the rapidly evolving fraud and financial-crime landscape. Participating institutions included Bank of Taiwan, Cathay United Bank, Chang Hwa Bank, CTBC Bank, First Commercial Bank, Huanan Bank, Mega Bank, SinoPac Bank, TS Financial Holdings, Taiwan Cooperative Bank and Land Bank.

Opening the programme, Mr. Shirish Pathak, Managing Director of Fintelekt Advisory Services, highlighted the common financial-crime compliance challenges faced by banks across jurisdictions and underscored the growing importance of information sharing among financial institutions and across borders.

Dr. Darson Chiu, Secretary Treasurer of the ABA, noted that technological advances are transforming both banking and financial crime, allowing illicit activities to operate with greater speed, reach and sophistication. He stressed the importance of strengthening banks' detection and response capabilities while ensuring that emerging technologies, particularly artificial intelligence, are deployed responsibly with appropriate governance and accountability.

A principal keynote presentation was delivered by Mr. Wei-Yuan Lo, Executive Secretary of the Anti-Money Laundering Office of the Executive Yuan and Head Prosecutor at the Taiwan Shilin District Prosecutors Office, who shared insights into recent money-laundering trends and emerging priorities of the Financial Action Task Force (FATF).

Mr. Lo highlighted the growing scale and complexity of fraud and emphasized the need to move from reactive responses toward proactive prevention and real-time disruption. Among the emerging risks discussed were mule accounts, structured routing of illicit funds, rapid fiat-to-crypto conversion, crypto cash-out patterns, abnormal remote banking logins and shared digital identities. He also underscored the importance of stronger cooperation among the banking, telecommunications and technology sectors, as well as enhanced international collaboration and asset recovery.

Dr. Pei-Ling Tsai, former Executive Secretary of Taiwan's Anti-Money Laundering Office and former Deputy General Manager of Taipei Fubon Bank, drew attention to another emerging concern—the evolution of financial crime from predominantly external threats toward greater risks of insider-assisted misconduct. She described this not only as a compliance challenge, but also an “integrity challenge” affecting public trust and



institutional credibility.

The second half of the programme featured an intensive roundtable moderated by Mr. Pathak, during which participating bankers openly discussed the fraud and AML typologies placing the greatest pressure on their institutions, emerging threats expected over the next three to five years, operational challenges in detecting and reporting suspicious activities, and areas where future investment could have the greatest impact.

The discussions reflected a broad recognition that faster payments, increasingly sophisticated fraud schemes, cross-border transactions and rapidly evolving digital channels are placing growing pressure on traditional compliance models.

Concluding the programme, Mr. Jordan Hoo, Senior AML Advisor at SymphonyAI, introduced the concept of “Always-on Compliance”—a shift from periodic risk assessments toward continuous risk alignment supported by predictive, generative and agentic AI. Importantly, the approach retains human oversight, explainable outputs and continuous model validation as essential elements of an AI-enabled compliance framework.

The roundtable demonstrated the value of bringing together regulators, senior banking executives, AML practitioners and technology specialists to share practical experiences and perspectives on common challenges.

The key conclusions and collective viewpoints emerging from the dialogue will be consolidated into a White Paper, to be published in both English and Chinese and shared with ABA member banks and relevant Taiwanese authorities, contributing to the continuing dialogue on strengthening financial-crime prevention and modernizing compliance operations across the banking industry.

ABA Webinars and Training Programs

ABA and Banks Association of Türkiye Discuss Türkiye's Economic Outlook and COP31 Vision

The Asian Bankers Association (ABA) and The Banks Association of Türkiye (BAT) presented a webinar on "Türkiye's Economy – Banking Outlook & COP31 Vision" on 13 August 2026. Participants from more than 10 countries had the opportunity to observe the latest statistics of the Turkish economy. Among the many issues discussed, the inflation situation was of critical importance.

Hereunder is the summary of the presentations made during the webinar.

In his opening remarks, moderator Mig Moreno, Deputy Secretary-Treasurer of the ABA, highlighted Türkiye's strategic position between Europe and Asia and its importance to regional economies and markets.

He introduced Ümit Ünsal, Coordinator of Research, Statistics & Sustainability at BAT, who discussed Türkiye's economy and banking sector, and Elif Berna İlhan, Sustainability Specialist at BAT, who would present Türkiye's COP31 preparations and the role of the banking industry in the green transition.

The webinar concluded with an interactive Q&A session.

Türkiye's Economic and Banking Outlook by Ümit Ünsal

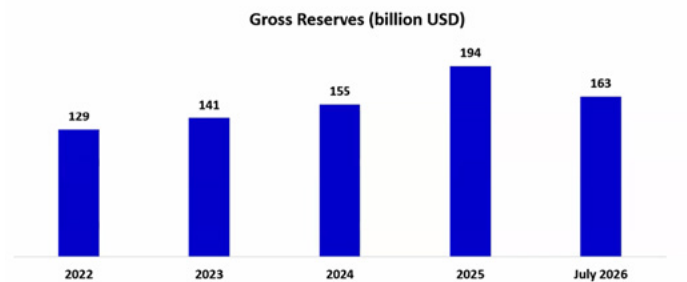
Ümit Ünsal described Türkiye as a diversified economy with a young population, strong industrial base and strategic geographic position, while noting that recent economic policy has focused on reducing inflation, improving external balances and creating a more predictable economic framework. Türkiye's economy grew 2.5% in the first quarter of 2026, below its estimated long-term potential growth rate of 4.5–5%, largely because of tighter monetary conditions and external uncertainties.

Inflation remained the principal challenge. After the CBRT raised its policy rate to 50% in 2024, declining inflation allowed the rate to be reduced to 38% by the time of the webinar. Authorities were also using reserve requirements, credit-growth limits and Turkish-lira deposit targets to control liquidity and reduce dollarization. Meanwhile, international reserves had strengthened, the budget deficit had fallen to approximately 2.2% of GDP, and Türkiye maintained relatively low levels of household and corporate indebtedness.

Ünsal said Türkiye's banking industry remained fundamentally resilient. The sector had approximately US\$1.1 trillion in assets, with deposits providing its main source of funding. The Turkish-lira share of deposits had recovered to about 61%, while the non-performing loan ratio remained manageable at approximately 2.9%. Capital adequacy stood at about 16.6%, comfortably above regulatory requirements. Although profitability

remained under pressure—with return on equity around 26% compared with inflation of 31%—the sector remained well-capitalized and positioned to benefit from continued disinflation and improving economic stability.

Reserves



COP31 Vision by Elif Berna İlhan

Elif Berna İlhan explained that Türkiye intends COP31 in Antalya to be an "implementation COP", moving the climate agenda from commitments toward measurable results. Türkiye's approach is built around three principles: dialogue, consensus and action. Its broader green transition program includes a national climate strategy, emissions trading initiatives and increasing alignment with international climate policies, all of which will require substantial investment and financing.

A central initiative is the Climate Implementation Bridge, designed to connect climate commitments with investment-ready projects and available financing. İlhan emphasized that banks are essential to this process because climate change creates both new risks and significant financing opportunities in renewable energy, green finance and industrial transformation. BAT is preparing a Türkiye Sector Sustainable Finance Outlook Report, engaging policymakers and international stakeholders, and serving as a Strategic Partner for Finance of the COP31 Presidency. She stressed that COP31's success will ultimately depend on translating agreements reached in Antalya into investment and concrete action afterward.

Q&A Session

The Q&A focused primarily on inflation, asset quality, banking profitability and the sector's response to tighter financial conditions. Ünsal explained that banks were relying mainly on higher provisioning and loan restructuring to manage borrowers facing economic pressure. He expected inflation, which had fallen from around 70% in 2024 to approximately 31%, to decline below 30% by the end of 2026, below 20% in 2027 and eventually return to single digits. As inflation declined, customers were also moving savings back from US dollars,

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gold and real assets into Turkish-lira deposits.

İlhan said BAT was preparing several COP31 activities, including a proposed finance-focused panel in the Blue Zone. On the banking outlook, Ünsal said lower inflation should strengthen balance sheets, improve profitability and support capital formation. Asset-quality risks among SMEs and retail borrowers remained manageable, while Turkish-lira deposits represented approximately 62% of total deposits.

Both speakers concluded by emphasizing stronger cooperation between Turkish and Asian banks, including opportunities for future collaboration around COP31, trade, investment and sustainable finance.

A copy of the presentation file is available to ABA members only, please contact the Secretariat at aba@aba.org.tw.

Virtual Masterclass on “Preparing Your Institution for FATF's 5th Round: Expectations, Outcomes and Practical Readiness”

The Asian Bankers Association (ABA) and Fintelegt Advisory Services jointly organised a virtual Masterclass on 19 August 2026 on "Preparing Your Institution for FATF's 5th Round: Expectations, Outcomes and Practical Readiness."

The resource person for the workshop was Edgar Lopez, Financial Crime Advisor & Former Director of Gibraltar Financial Intelligence Unit. He is recognised for his expertise in counter-proliferation financing, contributing to international capacity building and the development of risk-based frameworks and national risk assessments. Arpita Bedekar, Chief Operating Officer, Fintelegt, hosted the workshop.

The session was well attended, with participants from 10 countries from varied sectors including banks, insurance companies, regulators and central banks, non-banking finance companies, money transfer agencies and DNFBPs.

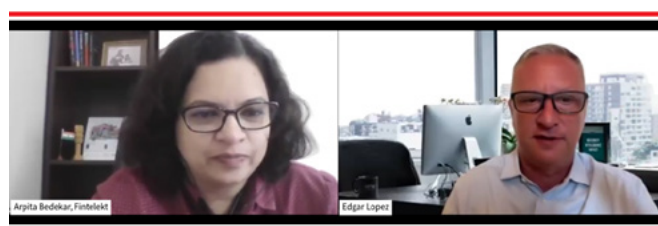
The workshop focused on providing participants with an overview of the evolving expectations under the FATF's 5th Round Mutual Evaluations and how financial institutions can strengthen the effectiveness of their AML/CFT programmes.

Shift from technical compliance to demonstrable effectiveness

Edgar highlighted the evolving focus of the FATF's 5th Round Mutual Evaluations, particularly the shift from technical compliance to demonstrable effectiveness. While technical compliance assesses whether laws and institutional frameworks meet FATF requirements, effectiveness examines whether these frameworks actually deliver results against the 11 Immediate Outcomes. He stressed that assessors rely extensively on statistics, case studies, supervisory records and interviews, making evidence of actual outcomes critical.

Consequences of Weak NRAs

A key focus by Edgar was the importance of current, credible and actively used risk assessments. Weak money laundering and terrorist financing National Risk



Assessments can have wider implications for supervision, resource allocation, FIU priorities, investigations and asset recovery. He emphasised that institutions should therefore ensure that identified risks clearly drive their controls, resources and decisions, and that weaknesses are addressed at their root cause rather than in isolation.

Key Changes Influencing the 5th Round and Demonstrating Effectiveness

Beneficial Ownership, Asset Recovery and Financial Inclusion were the three areas which Edgar underlined as the most influential areas in the 5th Round of Mutual Evaluation. He cited that institutions must demonstrate outcomes, not just policies and procedures, with the use of evidence, including risk-based decisions, declined transactions, training linked to risks, supervisory remediation and documented control improvements.

Quality of Suspicious Transactions Reports and investigations

Finally, Edgar placed particular emphasis on the quality and intelligence value of Suspicious Transaction Reports (STRs) rather than simply the volume of reports filed. He said that financial intelligence, investigations and asset recovery should be viewed as an interconnected chain, supported by strong reporting and risk-based monitoring.

Overall, he encouraged institutions to maintain robust evidence of risk-based decisions, embed emerging typologies into controls, keep risk assessments current, and prepare staff to clearly demonstrate how their AML/CFT frameworks work in practice.

The workshop also covered emerging areas of

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scrutiny, including beneficial ownership, asset recovery, financial inclusion and proliferation financing. Greater emphasis is being placed on the accuracy and verification of beneficial ownership information, tracing and recovery of assets, and proportionate risk-based measures.

Key Takeaway

The 5th Round of the Mutual Evaluations by FATF is increasingly about proving that AML/CFT frameworks work in practice. Institutions should therefore focus on demonstrating how identified risks drive controls, decisions and measurable outcomes—not merely showing that policies and procedures exist.

ABA and True North Partners Co-Host Webinar on AI Risk Management for Banking

The Asian Bankers Association (ABA) successfully held a webinar on “AI Risk Management Framework for Banking” on August 27, 2026, featuring Dr. Wolfram Hedrich and Mr. Vikas Deep Sharma, Partners at True North Partners.

The webinar examined the rapid adoption of Generative AI and autonomous AI agents in banking and the growing need for financial institutions to establish effective frameworks to manage associated governance, regulatory and operational risks. Discussions highlighted key vulnerabilities including prompt injection, jailbreaks, data leakage, harmful outputs and model drift, as well as the importance of continuous testing and appropriate safeguards.

The speakers also introduced the True North Partner's AI Risk Management Framework, a practical, regulator-aligned approach integrating model risk controls, technical guardrails and governance structures. Participants were presented with practical approaches to identifying and managing AI risks, operationalizing AI policies and controls, and implementing appropriate guardrails across banking use cases. The session also featured a live demonstration illustrating how such guardrails can be implemented in practice.

The webinar formed part of ABA's continuing efforts to provide members with timely insights into emerging technologies and support the banking community in navigating the opportunities and risks arising from the accelerating adoption of AI.



Wolfram Hedrich
Partner
True North Partners



Vikas Deep Sharma
Partner
True North Partners

About True North Partners



True North Partners LLP is an independent consulting firm with presence in London, Johannesburg, Frankfurt, Madrid, Amsterdam, Lisbon, Dubai and Singapore. It specialises in finance, risk and strategy and has extensive global experience and industry recognition in the financial services, risk management and finance communities.

Its partners have been with internationally leading consulting firms and the industry with a combined experience of 260+ years in the management of finance, risk and strategy. The Partnership has a track record as an independent partnership since 2006. Its clients are leading financial institutions, predominantly in Europe and in emerging markets such as South Africa.

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