



DFIs and Post-Pandemic Opportunities and Thrusts



ADFIAP
Annual Meeting
(A Hybrid Event Experience)



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towards recovery and growth

We are at the forefront of revitalizing the local economy, supporting marginalized and key sectors to accelerate our country's collective recovery.

Amid challenges, we remain steadfast in providing accessible, responsive, and uninterrupted service. We leverage on technological solutions to address the evolving needs of our highly diverse customers in the new normal.

We forge partnerships with other players to accomplish greater things and expand economic opportunities through collaboration and by working together.

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Q&A WITH CEOS

Dear ADVANCE readers,



A handwritten signature in black ink, appearing to read 'Enrique Florencio'.

ENRIQUE "BOYET" FLORENCIO
Secretary General
Association of Development
Financing Institutions in Asia and the
Pacific (ADFIAP)

For many years, we in development finance have been deep in introspection to reimagine our role in a fast-evolving world. We found ourselves asking, "How can we stay relevant as development finance institutions (DFIs)?"

Our questions seem to have been answered when COVID-19 came and plunged the world into a pandemic and an ensuing economic standstill. Suddenly, the global financing tide turned, exacerbating needs and challenges. Many of us focused on efforts to cope with the pandemic such as extending financial subsidy or assistance, debt payment relief or loan restructuring, and rebuilding our battered economies. These, on top of a mounting number of other challenges that have remained even during the pandemic, such as climate change.

But the pandemic also unlocked many opportunities. It sparked interest in sustainable investing, including environmental, social, and governance bonds. It also led some to tap the development finance ecosystem to mobilize additional funding and help achieve the United Nations' Sustainable Development Goals.

As we seek an end to the pandemic and start the recovery process, we must continue to unleash the full potential of DFIs. Just as these institutions were borne out of a great need during World War II, this crisis now requires us to urgently put them to better use.

In ADFIAP's 44th Annual Meetings, we draw the focus on the role of DFIs during this pandemic, as well as the opportunities and thrusts post-pandemic.

As your incoming Secretary General, allow me to thank Mr. Bobby Peralta, who has served ADFIAP for many years and has made ADFIAP a known champion of sustainable development financing in the world. We also wish to thank the Land Bank of the Philippines and Alliance Finance Company PLC for helping make this special magazine issue possible.

Happy reading!

2021 Events

**NOV. 15-19 (VIRTUAL)**Scaling Up Leadership
in the New Normal**NOV. 26 (VIRTUAL)**

Listening Labs Forum

**DEC. 2-3 (VIRTUAL)**Ultimate Growth Engine for
Financial Institutions**DEC. 8-10 (VIRTUAL)**Fostering Sustainable
Finance and Development

2022 Events

**JAN. 25-28**Strengthening Portfolio
Management in Credit Risk
Analysis**FEB. 15-18**Sustainability Reporting:
Embedding Sustainability
into the Corporate DNA**MARCH 1-4**Bank Operational Risk and
Resiliency and the Role of
Digitalization

For more information about the ADFIAP
Asia-Pacific Institute of Development
Finance programs and other events, go to:
www.adfiap.org

**2-5**Colombo, Sri Lanka
ADB's 55th
Annual Meeting**14-16**Washington, D.C., USA
World Bank-IMF
Annual Meetings

LANDBANK gets ISO certified anew amidst pandemic

State-run Land Bank of the Philippines (LANDBANK) has secured continuous certification for ISO 9001:2015 Quality Management System (QMS) and ISO 14001:2015 Environmental Management System (EMS) standards until December 2022, underscoring its steadfast commitment to delivering quality financial and support services towards promoting sustainable and inclusive development.

Certification International Philippines, Inc. (CIP), a local consulting company that specializes in ISO recognition, completed the remote second surveillance audit of the bank's Head Office, 13 branches, and four field units from July to September 2021.

"This recognition is in line with our thrust to promote excellent customer service as part of serving the nation. Next year, we will raise the bar even higher by expanding our performance commitments to include the continued certification to the EMS standards to fully comply with the Sustainable Finance Framework of the Bangko Sentral ng Pilipinas (BSP)," said LANDBANK President and CEO Cecilia C. Borromeo.

CIP commended LANDBANK's management system and personnel for its adaptability to the changing demographics, risks, market demands, and innovations in the industry while navigating the challenges of the COVID-19 crisis.

"The commitment of the competent LANDBANK personnel is a key driver in its successful maintenance of the Integrated Management System (IMS). LANDBANK remains very strong and is even stronger during the pandemic," CIP said.

CIP also gave positive feedback to the bank's regular conduct of management review and field unit staff meetings, which was classified as an excellent way of constantly reviewing the Bank's performance.

LANDBANK was also commended for its consistency in upholding internal policies and procedures from the head office to the field units, as sampled units continued to achieve high targets despite the challenging task of physically reporting for work at the height of the pandemic.

ADFIAP sustains training partnership with IFCL's CENDB

National development banks (NDBs) from across the region will continue to bank on innovative training programs designed to be highly interactive and practical under the ADFIAP-CENDB Leadership Series, a partnership between ADFIAP and the Centre of Excellence for National Development Banks (www.cendb.org).

Initiated by the International Financial Consulting Ltd. (IFCL) based in Canada, the Leadership Series started with a virtual course on "Smart SME Lending for Small Island Economies" from January 14-29, which brought capacity building for peer institutions on best practices to lend more effectively. It was attended by NDB credit underwriting professionals from small-island economies across both the Pacific and the Caribbean.

The course focused on the most pressing issues for NDB lenders, specific to the unique nature of small-island economies and addressing the impact of COVID-19. It employed practical hands-on training that will help lift organizations and individuals to meet their full potential.

Led by expert facilitators, the 5-module course featured real-world case studies informed by participant's own challenges and successes.

The Leadership Series will continue to provide technology-based training for cohorts of 10-12 participants, featuring a mixture of live video sessions, peer-to-peer discussions and support, and practical resources — all accessed through CENDB's dynamic online knowledge center.

TEKUN Nasional expands loan assistance to delivery riders



Malaysia's TEKUN Nasional has opened up more opportunities for those who have lost their livelihoods, including the youth, to become delivery riders for food, goods, and daily necessities through the TEKUN Mobilepreneur 4.0 Program.

In the wake of the COVID-19 global pandemic, delivery services became most important in supplying the needs of raw materials and ready-to-eat food to the public. This prompted TEKUN Nasional to come up with a method to channel funding to riders in collaboration with existing e-hailing service providers.

The program, called TEKUN Mobilepreneur, was initially launched to provide income-generating opportunities to those who have lost their source of income and are affected by the COVID-19 virus and lockdown restrictions.

Under TEKUN Mobilepreneur 4.0, financing has been expanded to include the repair of motorcycles and the purchase of new motorcycles for the purpose of delivery services only. Loan applicants can avail of RM1,000 to RM10,000 in credit, based on the purpose of the application such as motorcycle repair or revolving capital. The repayment period of the financing is 1 to 3 years. The profit rate charged is 4%

Pag-IBIG Fund extends payment period for loans

State-owned Pag-IBIG Fund has made its cash loans more affordable by lengthening its payment term to three years, its top officials announced recently.

"During these difficult times, we continue to improve our programs to respond to the needs of our members," said Secretary Eduardo D. del Rosario, chairman of the Department of Human Settlements and Urban Development (DHSUD) and the 11-member Pag-IBIG Fund Board of Trustees.

Last year, Pag-IBIG Fund launched special programs such as a payment moratorium and grace periods, both in accordance with the Bayanihan Acts, to help borrowers with their finances. This year, it is lengthening the term of its cash loans to three years from two years to give borrowers more time to pay off their loans and make their monthly payments lower.

Last August, the Fund said its response to aid members and stakeholders cope with the COVID-19 pandemic won a gold award under the Most Valuable Government Response category in the 2021 Asia-Pacific Stevie Awards, one of the world's premier business awards.

Pag-IBIG Fund also bagged two bronze Stevie awards: under the Most Exemplary Employer category, and under the Innovation in Annual Reports category. Its interactive 2019 Annual Report, the first-ever virtual Corporate Annual Report in the Philippine government sector, also won a Merit Award under the Technology Development category of the ADFIAP Awards 2021.

DFIs and Post-Pandemic Opportunities and Thrusts





Starting as a health crisis, the coronavirus pandemic's lingering effects brought about profound economic and social problems all over the world. Unemployment and poverty levels, among other issues, have increased, setting back many years of social development and economic progress. Current energies and resources are geared toward vaccination of the populace which may take years to attain the desired result: the end of the pandemic.

National development finance institutions (DFIs), as instruments of public good created by governments, have been again tasked to help stem the effects of the crisis. As DFIs adapted, learned, and coped, based on their reports during the ADFIAP Annual Meeting in 2020, a silver lining is in sight as pathways have been made and new opportunities have been discovered.

This 2021 ADFIAP Annual Meeting is a follow-through of last year's pandemic situationer conversation among members.

What to Expect from this Hybrid Event

Attending member-institutions based on the sub-regional locations listed below will be given the opportunity to make a presentation on the topic based on their situation. There will be offline bilateral possibilities later on to be set up for members to expound on their presentations.

Part 1 DFIs Moving Forward: Opportunities for Growth

The Pacific
North Asia
ASEAN
South Asia
Western and Central Asia

Part 2: DFIs Moving Forward: Thrusts and Priorities

The Pacific
North Asia
ASEAN
South Asia
Western and Central Asia

Message from the ADFIAP Chairman

Dear fellow-members, development partners, friends:

On behalf of the Board of Directors and the Secretariat of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), I wish to invite you and those in the development finance community to join us at the 44th ADFIAP Annual Meeting to be done hybrid on October 27-28, 2021 hosted by the Philippine members.

We are living through a difficult time for society and our economies. The crisis around the COVID-19 pandemic has left no one untouched. The virus is not only claiming human lives but also subjecting individual countries and the global political order to extraordinary stress rarely seen in ordinary time. But these challenges only reinforce our determination to continue working towards one goal – making the world more resilient.

To continuously provide long-lasting solutions moving forward, we encourage our member DFIs to be more innovative and responsive, to pursue clarity of purpose, optimize board and governance systems and structures, improve its internal culture and efficiency, enhance financial stability and influence, and accelerate progress and focus on sustainability into the future.

The theme for this hybrid annual meeting, “DFIs and Post-Pandemic Opportunities and Thrusts: A DFI Community Knowledge Exchange,” aims to provide a venue for member-participants to share with and learn from each other's current practices, challenges and ideas, as well as present their thoughts and perspectives on the way forward. We are confident that we will make a positive contribution to this crisis.

I look forward to e-meeting you all as we converse, reconnect, and renew our bonds to enable us to work together for a sustainable “new normal.”

Warmest regards to you all!

Mr. Phub Dorji
Chairman, ADFIAP
Chief Executive Officer
Bhutan Development Bank Ltd.



AND THE WINNERS ARE...

Amidst the global pandemic, ADFIAP sustained its prestigious tradition of shining the spotlight on outstanding individuals and institutions through the ADFIAP Awards. Now on its 24th year, the Awards honors those who contributed significantly to the development of their respective countries and continued to rise against the odds.



OUTSTANDING DEVELOPMENT PROJECTS

Category 1: Human Capital Development

Development Bank of the Philippines

Strengthening Organizational Capabilities in the New Normal Through Proactive Learning and Career Development Innovations

Merit Award:

International Financial Consulting Limited

Establishing the Centre of Excellence for National Development Banks (CENDB)

Category 2: Environmental Development

Development Bank of Japan, Inc.

DBJ Sustainability Linked Loans with Engagement Dialogue

Merit Awards:

Development Bank of Mongolia

Renovation and Electrification of Public Transport Project

PT Sarana Multi Infrastruktur (Persero)

Grievance Redress Mechanism

Category 3: SME Development

Credit Guarantee Corporation Malaysia Berhad

BizMikro-i and Psychometric Assessment

Merit Awards:

Tekun Nasional Malaysia

Tekun Mobilepreneur

SME Bank Malaysia

Asnaf Entrepreneurship Program @ ISHRAF

Category 4: Infrastructure Development

Development Bank of the Republic of Belarus

Road, Bridge and Subway Infrastructure Development in Belarus

Development Bank of Mongolia

Construction of an Asphalt Road

Category 5: Technology Development

Credit Guarantee Corporation Malaysia Berhad

Robotic Process Automation (RPA)

Development Bank of Japan

DBJ invests in SkyDrive Inc. using the "Society 5.0 Challenge Investment Program"

Merit Awards:

PT Sarana Multi Infrastruktur Persero

FS Solar Rooftop Airports

Pag-IBIG Fund

Communicating Pag-IBIG Fund's Accomplishments thru Digital for Better Stakeholders' Engagement

Category 6: Trade Development

Development Bank of Mongolia

Organic Animal Protein and Oil Production and Project to Increase Production and Sale of Cashmere Products

China Development Bank

The Vientiane-Vang Vieng Expressway Project in Laos

Category 7: Local Economic Development

Russia's National Economic Development Institution (VEB.RF)

Economic Development of the Territory

TEKUN Nasional Malaysia

TEKUN Mart

Merit Awards:

Land Bank of the Philippines

Restoration and Invigoration Package for a Self-Sufficient Economy Towards UPGrowth for LGUs (RISE UP LGUs) Lending Program

PT Sarana Multi Infrastruktur Persero

Improving the Economy of the Labuan Bajo Community after COVID-19 Pandemic Situation

Category 8: Financial Inclusion

China Development Bank

Give Full Play to Development Finance to Win the Battle Against Poverty

Merit Awards:

Development Bank of the Philippines

DBP ERCA-RCEF

DFCC Bank

Supplier Financing Scheme for Export Agricultural Crops

Category 9: Corporate Governance

PT Sarana Multi Infrastruktur (Persero)

Regional Financing Monitoring System

Category 10: Corporate Social Responsibility

PT Sarana Multi Infrastruktur (Persero)

Ambulance River Boats

ASKI Group of Companies, Inc.

Promoting Social Protection and Financial Inclusion through Microinsurance Programs in Rural Communities

Merit Awards:

Alliance Finance Company PLC

One Million Trees for Unity Project

SME Bank Malaysia

Penjana Komuniti @SME Bank Program

INDIVIDUAL AWARD



Outstanding CEO Award

Emmanuel G. Herbosa

President and Chief Executive Officer, Development Bank of the Philippines

See story on page 10

SPECIAL AWARDS

Best Sustainability Report

Alliance Finance Company PLC



Best Website

DFCC Bank



First Payor
DFCC Bank





EMMANUEL G. HERBOSA
DBP PRESIDENT AND CEO

CEO
OF THE
YEAR



In the Philippines, mention “development finance” and the Development Bank of the Philippines (DBP) is likely first to come to mind.

Even before the 1944 Bretton Woods system gave birth to development finance institutions (DFIs), DBP was already playing a pivotal role in the Philippines’ economic growth and development. Its history can be traced back to the Commonwealth period in the mid-1930s when the Philippine government needed development financing for infrastructure.

Beyond its sustained contributions to the country’s economic progress, DBP also serves as a treasure trove of human talent, particularly in banking. The ADFIAP Awards 2021 “CEO of the Year” recognition of DBP president and chief executive officer Emmanuel G. Herbosa is a testament to this.

Mr. Herbosa came to DBP armed with over four decades of solid banking experience as a professional banker. He occupied leadership roles in corporate banking, consumer banking, branch banking, and overseas banking in reputable financial institutions in the Philippines. Before DBP, he was president and CEO of state-run Philippine Guarantee Corporation (PGC), which provides guarantees to facilitate the entry of foreign loans into the country for development purposes.

Get to know this year’s “CEO of the Year” in this interview with *ADVANCE Magazine*.



What made you become a banker?

I graduated with a bachelor's degree in Industrial Management Engineering from the De La Salle University which led to my first job as a production engineer at Procter & Gamble. Later, I obtained my Master's Degree in Business Administration from the Wharton School, University of Pennsylvania, which got me interested in finance. More so, the job offers that came were mostly from banking institutions.

Is there a banker in your family? Who are your role models?

Yes, my first-degree uncle was also a bank president. My role model is my late father, Dr. Francisco Herbosa, who inspired me to take the path I have chosen in my professional life. The way he balanced family life and his professional obligations as one of the founders of the University of the East's College of Dentistry, where he served for at least 20 years as its longest serving dean, truly amazes me even today. He was a very busy man who woke up early each morning to be at school, then on to his thriving dental practice in the afternoons at his clinic. He would still stay up late at night because he was also editor of the Philippine Dental Journal. Yet he found the time to share meals with his family. The way my father achieved work-life balance left an indelible mark in me. His homespun knowledge was also the foundation of our family values.

For the longest time, I was with the private sector, and so I consider my current stint in government as destiny, a propitious accident even. Ever since I retired from the Bank of the Philippine Islands, Finance Sec. Carlos Dominguez had been inviting me to join the public sector. However, I had to fulfill certain obligations first as Executive Vice President of Bank of Commerce before I could finally commit to Sec. Dominguez and accept his invitation to serve in government.

How would you describe your early banking career? How is it different from banking nowadays?

My long years in the banking industry can be described as marked by both astounding growth and great organizational transformation. Alongside my peers, I started working with clunky posting machines, manual accounting registries and interest rate computation, instructions sent via cable and telex which needed encryption, telephones that had party lines, and four-function calculators, to name a memorable few. All that work were handled in bank branches manned by 25 officers and staff, and rows and rows of people noisily typing at the Head Office.

Today, we have a Philippine banking industry that is steadily moving towards the cutting edge of banking technology, digitalization, and service efficiency. The game changer in the industry is bank automation which removed the traditional high teller counter while providing for bigger computing and transactional capability and financial advisory facilities in order to make banking progressively easier for customers.



“For the longest time, I was with the private sector, and so I consider my current stint in government as destiny, a propitious accident even.”

When I joined the banking industry, branches had as much as 800 sq.m. of real estate. Today, the branch footprint is shrinking fast below 100 sq.m. Furthermore, six digital banks have already been authorized to operate in the country, with the industry continuing to use financial technology to bring more Filipinos inside the financial loop, while enabling customers to transact business safely and conveniently in the comfort of their homes given the current pandemic.

However, some things have not changed, and these include paying attention to trends and details to enable the industry to apply science and technology to improve service delivery. Another is the focus on customers, which can make banks excel in product development and innovation, and financial advisory. Corporate values such as integrity, competence, teamwork, and professionalism are likewise very important.

DBP is your first stint as a development banker. How would you differentiate it from your commercial banking career?

It's all about the motivational aspect. The private and public sector have a divergent view in drawing motivation and translating it in terms of tangible performance. They say in government, because employees enjoy security of tenure, some tend to be complacent. Its more an exception rather than the rule. In the private sector, on the other hand, performance spells the difference between keeping or losing one's job. In both sectors, I believe the culture of meritocracy remains the norm, as it encourages people to strive for advancement and be rewarded from it.

What are the major challenges you see in running a state-owned development bank?

The most challenging is leading people out of the "silo mentality" of the usual government employee.



“The opportunity to mentor people who are potential catalysts of inducing positive change that would eventually lead to greater societal benefit, especially in the countryside, is both an honor and a privilege.”

When I observed that teamwork was hardly the business practice, I realized that it was time to jumpstart an agile transformation in the workplace, and to promote an environment where people are encouraged to learn, remain willing to stretch beyond the job scope, stay optimistic and motivated, and observe mental honesty.

What are the opportunities?

All my previous engagements have been fulfilling professionally but I would consider my present role as the most challenging and the most meaningful. Throughout my banking career, I am most proud of what I have achieved in terms of uplifting other people with regard to their career development. The opportunity to mentor people who are potential catalysts of inducing positive change that would eventually lead to greater societal benefit, especially in the countryside, is both an honor and a privilege.



“We’d like to assure our development partners that DBP will continue to be their reliable partner in efforts to position businesses and the country on a sustainable development trajectory.”

What role do you think development banks should play in this pandemic?

I believe development financial institutions (DFIs) should step in to provide the resources where they are needed most. DFIs like DBP have to de-risk investments and provide much-needed countercyclical funds to ease the burden of calamities or economic contraction on vulnerable sectors.

For instance, DBP will continue to support the National Government in its continued implementation of the “Build, Build, Build” infrastructure program. DBP will continue to support and even step up in its efforts to revitalize MSMEs and critical industries and the services sector.

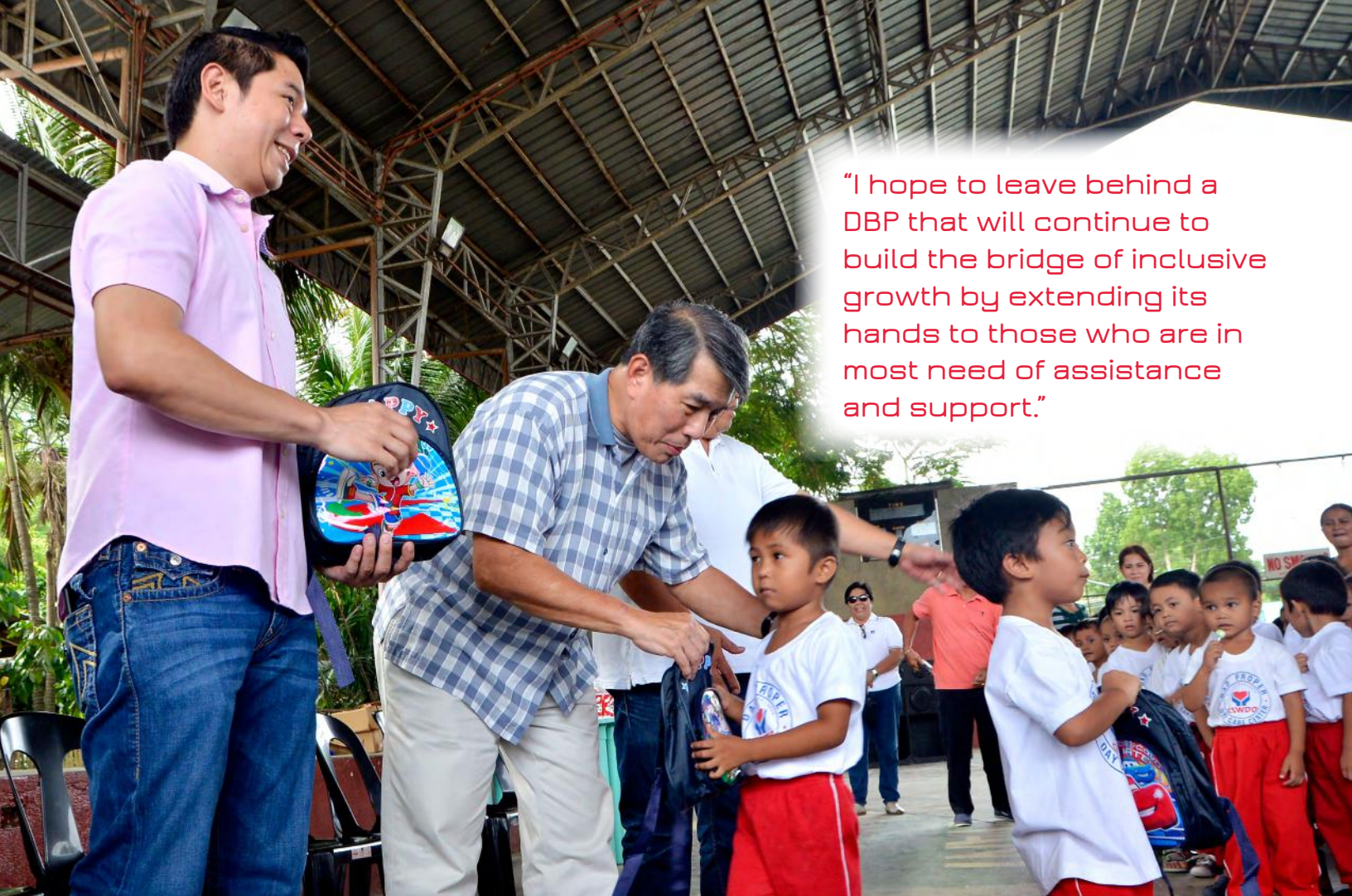
DBP will also increase its focus on growing its loan portfolio in environmental and sustainability projects. It likewise hopes to be more responsive in providing its products and services to all clients through the improvement of its digital banking capabilities and its customer experience strategies.

What is your vision for DBP?

We in DBP share the optimism of our national leaders for a strong economic rebound in 2022. While we are not out of the woods yet, key to the recovery of our businesses and the economy is to effectively manage risks, not run away from them. We’d like to assure our development partners that DBP will continue to be their reliable partner in efforts to position businesses and the country on a sustainable development trajectory.

This pandemic has also given us at DBP a new perspective on how our development work can still be done, and done well, despite the challenges. We will stand always ready with our programs of assistance and initiatives to support the requirements of the different sectors — in consonance with the thrusts of the National Government — from boosting their readiness to pursue growth and competitiveness opportunities to reinforcing their resilience as they embark to restart, rebuild and recover from this pandemic.

Our internal battlecry is to continue to strengthen organizational resilience, and to create new approaches to delivering on our mandated developmental role. We are poised to embrace the necessary innovative changes and value creation. These will allow us to look beyond our current sphere of market and service reach and be a truly responsive institution that brings growth opportunities and services within reach of the underserved and unserved.



“I hope to leave behind a DBP that will continue to build the bridge of inclusive growth by extending its hands to those who are in most need of assistance and support.”

What legacy would you like to leave behind at DBP?

When I step down from my fruitful years of service with DBP, I hope to have made significant inroads in pursuit of my advocacy to help work towards bringing as many of our fellowmen into the mainstream of the development process.

American Author Ken Poirot said, “Build a bridge by extending your hand.” I hope to leave behind a DBP that will continue to build the bridge of inclusive growth by extending its hands to those who are in most need of assistance and support. I hope to build a stronger DBP that continues to be a catalyst in connecting people, linking with partners, and bridging communities. This is the reason why, despite the challenges of the pandemic, we will continue to build and strengthen linkages and forge partnerships that help us move forward in the pursuit of countrywide development goals.

How do you feel about being hailed “CEO of the Year” by a prestigious body such as ADFIAP?

The award is not about me, but about DBP’s solid advocacies and the mission we’ve embarked to accomplish.

From the get-go, I have always seen my appointment with DBP as a platform to inspire more people to work towards more thoughtful actions for the country and for the praise and honor of our Lord.

Rick Warren, the author of the world-renowned book “The Purpose Driven Life” once said, “Jesus modeled a purpose-driven life, and he taught others how to live it, too. That was the ‘work’ that brought glory to God.” This is the principle that I try to live by at the helm of the Development Bank of the Philippines.



Coping with COVID

How DFIs face the
pandemic challenges



ADFIAP polled nine CEOs of member-institutions to ask how their organizations are coping with the challenges brought about by the COVID-19 global pandemic.

The nine CEOs were asked to rate from 1-5 ('5' being the highest) their institution's performance in coping with the pandemic, and the average self-rating was 4.1, which meant they were satisfied with their COVID-19 response. Two CEOs gave their institution the highest rating of '5' while one CEO scored a '3'.

The following CEOs participated in the poll:

- Ms. Cecilia Borromeo, President and CEO, Land Bank of the Philippines
- Mr. Mohd Zamree Mohd Ishak, Credit Guarantee Corporation Malaysia
- Mr. Aria Putera Ismail, CEO, Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank)
- Manduul Nyamandele, CEO, Development Bank of Mongolia
- Mr. Lakshman Silva, Director and CEO, DFCC Bank PLC, Sri Lanka
- Mr. Romani De Silva, Managing Director, Alliance Finance Company PLC
- Ms. Diana Smallridge, President, International Financial Consulting Ltd.
- Mr. Edwin Syahrud, President, PT Sarana Multi Infrastruktur (PERSERO)

- Mr. Rolando B. Victoria, President and CEO, ASKI Group of Companies, Inc.

Major challenges during the pandemic

Asked to enumerate the major challenges their institutions faced during the pandemic, the following were the CEOs' responses:

Customers

- Deteriorating asset quality of debtors due to the changing economic landscape;
- Serving customers whilst ensuring their safety;
- Assisting borrowers in business rehabilitation strategies during pandemic;
- Coordination of rescue efforts with all stakeholders in the MSME ecosystem;

Employees

- Staffing challenges, particularly with recruitment;
- Resignation of field staff as many were afraid of getting infected by the virus and felt uncertain about their careers;
- Ensuring the safety of employees;
- Reducing the number of staff physically present in the office but at the same time ensuring the Bank's productivity was not severely interrupted;
- COVID-19 cases of employees and their family members;

Business/Operations

- Making the necessary adjustments with regards to people, processes, and technology;
- Ensuring continuity of operations/business as usual;
- Uncertainties prevailing in evaluating credit risks associated with COVID-19 and managing expected losses;
- Managing our expected credit loss (ECL) due to the uncertainty;
- Liquidity concerns because of limited funds available for lending;
- Striking a balance to fortify its financial viability, and at the same time, being the distribution arm of the National Government's Social Protection Programs to help various sectors that needed financial help;
- Maintaining uninterrupted service operations and various support interventions to vulnerable sectors during the lockdowns;

State Policy Regulations

- Frequent mobility restrictions imposed;
- Import control on motor vehicles (main asset financed by non-bank financial institutions);
- Responding to the rapid and sudden changes announced by the government

Technology-Related

- Maintaining ATMs and channels during the lockdown due to restricted movements (e.g., loading of cash to ATMs);
- Providing digital banking services to new customers who could not visit the branches or request for services until remote options were available; and
- Delays in implementing new projects and systems due to resources being impacted and dependency of vendors from different countries.

Resilient strategies

When asked how they were able to stay resilient amidst the pandemic, here are their answers:

Mr. De Silva, AFC:

- Put into action our BCMS plan that enabled us to work from home without much difficulty at the early stage of pandemic;
- Carry sufficient buffers of liquidity to face

“Things were not easy for us and for many businesses. In spite of the challenges brought by the global health crisis, ASKI remains committed to its mission of serving the poor and provide the much-needed support to our MSME clients during these difficult times.”

**Rolando B. Victoria, President and CEO
ASKI Group of Companies, Inc.**

-
- eventuality;
 - Take advantage of market opportunities for new business; and
 - Offer alternative payment plans and moratoriums for customers to accommodate their cash flow difficulties; and
 - Prepare a scenario analysis to understand the risks involved and address such risks proactively

Ms. Smallridge, IFCL:

- Digital transition and talking openly about wellness and staff wellbeing/stress

Mr. Nyamandeg, DBM:

- Restrictions for number of employees on-site
- Combination of remote and on-site work

Mr. Victoria, ASKI:

- We connect with them through our social media accounts, telephone calls doing *e-kumustahan*, and series of webinars.
- We maximize the use of technology by providing on-line trainings/sessions on mental health, coping with stress, COVID-related health sessions and the use of digital technology, among others, for the staff and clients.
- We also set up a Call Center system to do the processing of new and renewal of loans and marketing of other products and services.
- Our own in-house developed application for insurance and payments are now up and

running to provide convenience and reduce the risk of virus exposure among clients; continuously promote the importance of savings and insurance. These two products gained a significant increase during the pandemic.

- It is also important to keep the connections among networks and share the experiences and challenges on the ground by joining local and international webinars.
- We implemented safety measures among our employees.
- We allowed the work from home and skeleton workforce arrangements to reduce the risk of contagion of the virus among our personnel and strengthened the programs of the organization on Occupational Health and Safety and provided regular psycho-social support.

Mr. Silva, DFCC Bank:

- Coming up with innovative solutions, e.g., through digitization;
- Through IT solutions — e.g., to enable WFH, virtual meetings
- Focusing on staff safety and wellbeing and facilitating their required needs during the pandemic;
- Ensuring the safety of bank premises to both the staff and customers;
- Adjusting quickly to the new normal;
- Showing empathy to the borrowers while making sound business decisions; and
- Timely completion of concessions/moratoriums to borrowers who were affected due to the pandemic

Mr. Ismail, SME Bank:

- Undertaking comprehensive risk management strategies to ring fence and mitigate credit risk from the deterioration of credit from customers, as well as other various risks such as market, liquidity, operational, legal and reputational;
- Continuously engaging and working with the government to establish and execute programs for targeted groups to ensure that they are not neglected (e.g., our Lestari Bumi Financing that focuses on providing financing assistance to Bumiputera micro and small entrepreneurs to elevate their business to higher level);

- Ensuring that we are in compliance with the liquidity ratio requirement by Bank Negara Malaysia by having robust funding strategies such as our newly established Islamic Medium Term Notes (inclusive of Islamic Commercial Paper) Sukuk programme of RM3.0 billion;
- Improved our modus operandi since 2019 under our digital transformation journey where we introduced among others, seamless client onboarding and faster approval and disbursement processes.

Mr. Syahrudad, PERSERO:

We have done several actions to be able to survive and resilient amidst the pandemic such as closely monitoring the quality of our asset by preparing higher fund for impairment and higher risk tolerance under this situation, then we also got government assignment under government economic recovery program to support municipal government to be able to continue the infrastructure development in the pandemic situation. Even under pandemic situation, we still could make a net profit of IDR 1.9 trillion (USD 133 million) or 108% from our target.

Ms. Borromeo, LANDBANK:

We have become even more driven to develop innovative financial products and services that are responsive to the emerging needs of our clients

“The novel COVID-19 pandemic has induced the twin crises of a public health emergency and an economic recession. SME Bank, which focuses on SME financing, is directly affected by this situation as SMEs are facing business slowdown and liquidity crisis as they experience severe cash flow constraints.”

Mr. Aria Putera Ismail, CEO, SME Bank

in the new normal. Central to this is accelerating LANDBANK's digital transformation, as we see a continuous surge in the usage of our major electronic banking channels due to the pandemic.

- We continually upgrade our Mobile Banking App to facilitate banking transactions online.
- We also launched just this year the LANDBANK Digital On-boarding System (DOBS) Mobile, which allows clients to open a savings account on their smartphones via our app at the safety of their homes.
- We adopted Agent Banking to extend our reach. We have 162 partners, composed of client cooperatives, associations, rural banks, local government units, SMEs, and private entities to help provide basic banking services to clients, especially in unbanked and underserved communities.

Mr. Ishak, CGC Malaysia:

It was back to basics, starting from having:

- Crisis Management Plan: Similar to many organizations, we already had a crisis management plan in which the 5W1H (What, When, Where, Who, Why, How) method is applied. Through simulation, we had opportunities to test this plan periodically. So when the pandemic hit, we knew what to do. We keep on improving this plan as there are still many unknowns.
- Clear and timely communication to our staff and all stakeholders. The exchange of information must be clear, concise, and prompt.
- Close monitoring of all our counter-cyclical measures.

Silver linings

If there were challenges, there were also some silver linings from the pandemic. Here are the CEOs' answers:

Mr. De Silva, AFC:

This has forced the organization for a digital drive from internal processes and how we deal with customers.

Mr. Syahrud, PERSERO:

The silver linings for us is related to bigger mandate from the government to our institution by expanding our sector, not only in infrastructure, as long as it has government assignment for that.

"We continue to cope and emerge from this pandemic with an increased openness to change and new possibilities... The possibilities for having a digital society are limitless. This is why we are also ramping up our initiatives to bank more of the unbanked in the country to help make recovery and development truly inclusive and accessible to one and all."

Ms. Cecilia C. Borromeo, President and CEO, Land Bank of the Philippines

In addition, we now also play as an investment manager of government fund in several strategic sector under the government economic recovery program.

Ms. Smallridge, IFCL:

Slowing the world down and the transition to digital at an unprecedented rate

Mr. Nyamandele, DBM:

- Saving costs with overseas travel and physical events
- Strengthening capacity with virtual meetings and working remotely

Mr. Victoria, ASKI:

The culture of unity, team work and family-oriented values can be considered as our "silver linings" during this time. We also have board members who have the heart for employees and clients. The decisions made were anchored on the importance of human capital in the success of the organization. Moreover, they are open to changes and innovations especially in these crucial times.

At the end of the day, even in the midst of loss, uncertainty and suffering, I am confident that we will HEAL and RECOVER as one because we are WORKING as ONE.

Mr. Silva, DFCC Bank:

- Businesses becoming more resilient to face challenges
- Development or focus on digitization
- Online meetings becoming a norm, which can save a lot of time and money to organizations in the future
- WFH which can be used effectively in the future to the advantage of both the organization and staff
- New business avenues opened with the new normal to tap new markets
- Fast tracking of new digital services and processes that would not have been considered if not for the pandemic due to necessity.
- Willingness of customers to use digital products and services than before

Mr. Ismail, SME Bank:

- SME Bank has been improving our internal processes even before COVID-19 by removing redundancy to ensure all financing applications are able to be processed and disbursed in timely manner.
- SME Bank's digital transformation has brought more value-added takeaways for the SMEs and it has changed the way the Bank is reaching out to the SMEs and how we assist them especially during the pandemic.

Mr. Ishak, CGC Malaysia:

It accelerated our digital transformation journey which began in 2018. The pandemic also provided us with an opportunity to deliberate and recalibrate our future, as well as ask "what if" questions.

"It accelerated our digital transformation journey which began in 2018. The pandemic also provided us with an opportunity to deliberate and recalibrate our future, as well as ask 'what if' questions."

**Mr. Mohd Zamree Mohd Ishak, CEO,
Credit Guarantee Corporation Malaysia**

Agility and adaptability became the norm as CGC adopted work from home at times, "work from anywhere" (safe), collaborating virtually with all stakeholders.

There was a new take on teamwork to ensure that we stood strong for our customers and stakeholders and we focused on impactful output. We are seeing an increase in our financial outreach during the pandemic through our participation in government initiatives, as well as an increase in the MSMEs assisted via our award-winning imSME (Malaysia's first online referral platform).

Gearing up for recovery

Asked about to rate their outlook for their respective host country's recovery, with '5' as the brightest, the CEOs' scores averaged '4', which is on the upbeat side.

To prepare for the recovery, the CEOs answered the following:

- Leveraging technology to enhance products and services and provide safe and convenient financial services;
- Planning to capitalize on sectors expected to do well with the economic recovery;
- Working with the government to design the product to fit the economic recovery program, support the local government, as well as both public and private sectors;
- Actively recruiting staff, being ready to support;
- Extending emergency funding to lucrative industries to boost the economy;
- Granting long-term facility restructures to severely affected borrowers and create a peace of mind for them to commence business activities at the earliest;
- Providing sustainable restructuring proposals based on expected cash flows;
- Providing working capital assistance/project financing to borrowers at concessionary rates through credit lines; and
- Playing our part in the climate and sustainability agenda.

afc Making the world a better place through sustainable finance



Alliance Finance Co. PLC is the oldest finance company in Sri Lanka, and a pioneer of the triple bottom line business philosophy in the Banking and Finance sector in Sri Lanka with a publicly pledged commitment and purpose statement to; "Make the World a Better Place through Sustainable Finance" and a set of non financial High impact goals designed to make a truly measurable and positive impact on society and the environment through our business. This is achieved through compliance with the ground breaking SSCI Sustainability Standard for value driven financial institutions at Level 4 which standard is independently certified and monitored by the European Organization for Sustainable Development based in Karlsruhe Germany (an EU initiative). Thus today, AFC is one of the fastest growing and leading value driven Non-Bank Financial Institutions in the country, operating with the mandate to promote sustainable development whilst ensuring social and environmental wellbeing. We serve over 100,000 customers through our island wide network of 77 branches and are a net lender outside the capital city and its province enabling and empowering rural communities through the facilitation of much needed financial inclusion.

What we offer:

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Innovative, zero emission, clean energy technology
Clean energy equipment leasing

Investment solutions
Fixed Deposits, Savings, Gold Investments

Vehicle trade - in and hiring services
Autosure, Ezydrive

What we support:

- Sustainable development
- Responsible and inclusive finance
- Biodiversity conservation and eco system restoration
- Battle against climate change
- Support and develop social entrepreneurship



The first finance company in South Asia to be certified for holistic sustainability, under Sustainability Standards and Certification initiative (SSCI); governed under the International Council of Sustainability Standards for Value-Driven Financial Institutions, Germany.



Certificate of Merit for Outstanding Sustainability achievement for Integrating Sustainability into the Corporate Strategy, Karlsruhe Sustainable Finance awards, Germany - 2020



Certificate of acceptance for the cutting edge Financing 4.0 program of European Organization for Sustainable Development, 2020



Winner, in Insurance and Finance sector category, ACCA Sustainability Reporting Awards, Sri Lanka 2020



Sustainability Leader of the year, Merit Award, Karlsruhe Sustainable Finance Awards, Germany - 2018



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