

AD>ANCE

The Magazine for Sustainable Development Finance

Since 2014



40th
ADFIAP annual meeting
MACAO, CHINA 2017

ALSO INSIDE:

- ADFIAP@40: CHAMPIONING THE UN SDGS
- CDB: SEEING GROWTH IN CHINA & BEYOND
- SPOTLIGHT ON THE CEO OF THE YEAR
- Q&A WITH ANIKET SHAH
- ADFIAP AWARDS 2017 WINNERS

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To our clients, partners, stakeholders.

To the Filipino people and our country.

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We're about sustainable development and preserving the environment.

We're about empowering the countryside, helping farmers, fishers and small entrepreneurs.

Because we believe that the only way we can truly succeed is by **GROWING TOGETHER.**



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2016
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2015
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2014
Bank of the Year - Philippines -
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EDITORIAL TEAM

PUBLISHERS



Thanks to our main supporting organization:



Editorial Adviser
Octavio B. Peralta

Editor-in-Chief
Sheila Samonte-Pesayco

Layout and Design
Writers Edge

Advertising & Marketing
Enrique Florencio
Sandy Lim

Championing the UN SDGs

Dear **ADVANCE** readers,

As well as championing sustainable development at ADFIAP, we are also concerned about the wider social and economic impacts our organization and our member-institutions create on the world. As such, we are focusing on efforts to help achieve the United Nation's Sustainable Development Goals (SDGs). These 17 goals have been agreed by world leaders after extended consultations with a host of people and organizations to drive the global agenda to create a better world by 2030.

To achieve the SDGs, the UN estimates that an additional \$2-3 trillion of investment is needed per year in energy, infrastructure, agriculture, health and education. It is in this context that we see our role as the focal point of development financing institutions (DFIs) in Asia and the Pacific. In celebrating ADFIAP's 40th year, we draw the focus on the role of DFIs that continue to champion and align their work against the SDGs to support the global effort. In this special issue of **ADVANCE Magazine**, we tackle the opportunities and challenges their initiatives present.

It is also fortuitous that we are celebrating our 40th anniversary and gathering over 100 ADFIAP member-DFIs and partners for the 40th ADFIAP Annual Meetings in Macao. This autonomous region on the south coast of China was the venue of the historic Global Strategy Forum on South-South cooperation for sustainable development, where more than 200 delegates from over 50 countries gathered two years ago.

We would like to thank China Development Bank, our main supporting organization, our patron Agrobank Malaysia, as well as our advertisers SME Bank Malaysia, Land Bank of the Philippines, the Development Bank of the Philippines, and the Alalay sa Kaunlaran (ASKI), Inc., for making this special magazine issue possible.



Bobby

BOBBY PERALTA
Secretary General
ADFIAP

Building the infrastructures
for national growth

As the financial engine for national progress, the Development Bank of the Philippines (DBP) plays a strategic role in laying the infrastructures for growth. Recognizing the value of efficient infrastructure, DBP develops more ways of transcending the barriers of land, air, and sea countrywide.

DBP supports investments that improve the country's primary transport infrastructure and logistics facilities, and promotes the seamless movement of basic commodities. DBP also advocates reforms and priority investments in the power and water sectors.

Alongside this commitment to infrastructure development, DBP also champions entrepreneurship, environmental protection, and social services for a well-nurtured Philippine society.

Partner with DBP. Build and grow your investments. Contribute to our country's sustained competitiveness.



Development Bank of the Philippines
(Head Office)
Sen. Gil J. Puyat Avenue corner Makati Avenue
Makati City 1200, Philippines
Telephone: (0632) 818-9511
Email: info@dbp.ph

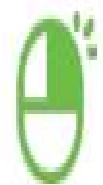


DBP. Banking for the Country.



www.devbnkphl.com

 <p>50th ADB ANNUAL MEETING YOKOHAMA 2017</p> <p>4-7 May 2017 Yokohama, Japan www.adb.org/annual-meeting/2017</p>	<p>Risk-Based Credit Appraisal & Management</p> <p>8-12 May 2017 Manila www.adfiap.org/events</p>	<p>2017 African Development Bank Annual Meetings</p> <p>22-26 May 2017 Ahmedabad, India www.adfi-ci.org</p>	<p>Familiarization Tour on National SME Development</p> <p>22-26 May 2017 Manila www.adfiap.org/events</p>
<p>Asia Clean Energy Forum 2017</p> <p>5-8 June 2017 ADB Headquarters Manila www.adfiap.org/events</p>	<p>ADFIAP-EOSD Global Sustainable Finance Conference 2017</p> <p>13-14 July 2017 Karlsruhe, Germany http://www.eosd.org/en/gsfci.html</p>	<p>Global Symposium on DFIs: "Challenges and Opportunities for DFIs in a Changing World"</p> <p>19-20 July 2017 Kuala Lumpur, Malaysia www.worldbank.org</p>	<p>ADFIAP-ADFIMI-ADFIM Joint CEO Forum</p> <p>24-26 October 2017 Kuala Lumpur, Malaysia www.adfiap.org</p>
<p>SME Bankers Program</p> <p>16-20 October 2017 Manila www.adfiap.org/events</p>	<p>Program on Development Banking</p> <p>6-17 November 2017 Manila www.adfiap.org/events</p>	<p>2nd Asia Finance Forum: FinTech and Sustainable Development</p> <p>8-10 November 2017 ADB Headquarters www.adb.org</p>	<p>Executive Leadership Program</p> <p>20 November 2017 Manila www.adfiap.org/events</p>



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

Malaysia's SME Bank becomes 1st DFI under TMG

KUALA LUMPUR – SME Bank became the first development financial institution (DFI) in Malaysia and in ASEAN to become a member of The Montreal Group (TMG), an exclusive global forum for state-owned development banks focused on assisting micro, small and medium-sized enterprises.

Founded in 2012 by seven members with a total estimated combined assets of \$2 trillion, TMG was established to encourage exchange of ideas and best practices, as well as foster greater understanding of the international market for the growth of SMEs.

As a member of TMG, SME Bank will have access to best practices on areas such as governance, risk management, human capital development, delivery channels, product and service innovations, and other international standards for potential adoption. In addition, it is also an opportunity for the Bank to leverage on TMG's forward-looking research.

SME Bank would also be able to share its views on the SME market in Malaysia and the ASEAN in general. Being accepted to the Group is part of the Bank's journey in achieving its vision towards becoming a full-fledged specialized financial institution; an international benchmark for nurturing SME excellence.

SME Bank Group Managing Director Datuk Mohd Radzif said: "This is a testament to how far we have gone. TMG recognizes SME Bank as a prominent DFI in the country as well as in the ASEAN region. We do not just offer financing, but we also carry the role of nurturing and developing SMEs through the Bank's various intervention programs."

Datuk Radzif added: "Our business model is the result of our continuous efforts in improving ourselves to ensure we are able to fulfill the government's mandate and support the unserved and underserved segments of the SMEs while ensuring our sustainability."

ADFIAP supports EU project on energy efficiency

The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) recently participated in a regional workshop on the SWITCH Asia Project on High Efficiency Motors (HEMs) funded by the European Union (EU).

In partnership with the Department of Energy (DOE), the event was held on March 29-30, 2017 at the Grand Ballroom of the Marriott Hotel Manila. The workshop also saw the launching of the EU SWITCH Asia program booklets and public consultations on minimum energy performance (MEP) and the Philippine energy standards and labeling program-implementing guidelines (PESLP-IG).

The event was meant to share ASEAN knowledge, experiences and best practices on energy efficiency and on designing and implementing the MEP standards in the commercial and industrial sectors, among others. The event was also aimed at raising the banks' awareness on the role of energy-saving companies (ESCOs) and the ESCO concept as an alternative financing in the implementation of the HEMs project.

HEMs is a four-year grant project of the EU to accelerate the uptake of more efficient electric motors and drive systems in Philippine industries since electric motors account for 60-70% of electricity consumption of this sector.

Macao

China's 'Oyster Mirror,'
Asia's Las Vegas

Flashing lights, world-class accommodations, exciting nightlife, and enticing games of luck – welcome to Macao. Macao is otherwise known in Chinese as Haojing (literally “Oyster Mirror”). With its grandiose casino hotels, it is more popularly known as the “Las Vegas of Asia.” Aside from its high-end casinos, Macao is also home to a unique fusion of Portuguese and Chinese influences that permeate its cuisine, architecture, and traditions. So gear up and get ready to bask in a magnificent medley of cultures on an adventure you’ll never forget!

GO

EGG TARTS

OLD TAIPA VILLAGE

WYNN CASINO LIGHTS DISPLAY

GONDOLA RIDE ON THE VENETIAN

SENADO SQUARE	RUINS OF ST. PAUL'S CATHEDRAL	PROMENADE SHOPS IN GALAXY	THE VENETIAN MACAO

VISITING

JUST

6 Must-Do Things in Macao

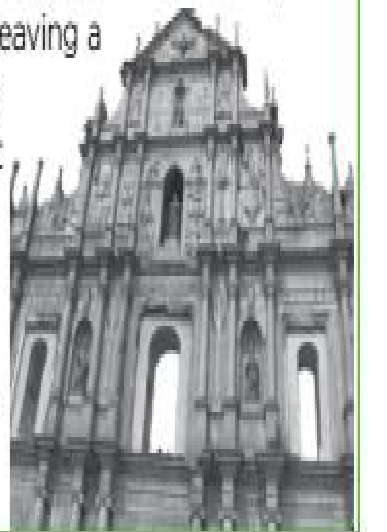
Stroll on Senado Square

Witness two different cultures mix and come alive before your eyes while walking along the cobblestones and through the colonial buildings. Portuguese influence dominates the architecture of the square, giving it a European vibe. Stroll through the plaza and see the nearby prominent buildings like Leal Senado Building, Holy House of Mercy, and Macau Business Tourism Center.



Wander and wonder

Against all odds - whether war, wind or the passage of centuries - the Ruins of St. Paul's Cathedral have stood the test of time. This church was destroyed in a fire in 1835 but the front part managed to survive, leaving a picturesque structure tourists can't help but marvel at. Go during nighttime to catch a majestic view of the ruins bathed in lights.



Try your luck

Check out what Macao is famous for: its casinos. The casino resort and hotels are a sight to see during the evening with their flamboyant displays of light. Marvel at the cloud-painted ceiling of The Venetian Macao which appears to move when you also move and start walking. Take advantage of the free shuttle service offered by the resort casinos to easily get around the peninsula and Cotai strip. Brace yourself for what may possibly be the best game of your life.



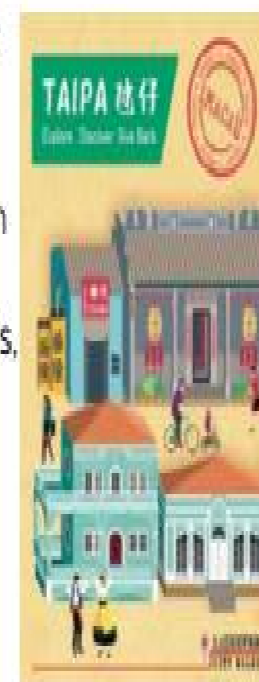
Go on a gondola

Aside from slot machines and card games, The Venetian Macao is also famed for its recreation of Venice's grand canals. The pastel-colored buildings give an authentic Italian feel. Ride the gondola and have the gondolier serenade you for a romantic trip through the canals.



Travel back in time

Take a break from all the glitz and glamor and immerse in the raw culture of Macao. Taipa Village offers rows upon rows of rustic Chinese and Portuguese stores, restaurants, and houses. Stroll through its narrow but colorful alleys to find Chinese shops on one street, and Portuguese buildings on the next.



Eat the Macanese way

A good eat is well deserved after hours of exploring Macao's wonders. Visit Rua Do Cunha or Cunha Street in Taipa Village to be greeted by an array of food choices. Egg tarts, beef jerky, and pork buns are national delicacies you wouldn't want to miss.



CDB: BUILDING CHINA'S GROWTH

China Development Bank (CDB) is a major force in the People's Republic of China (PROC). Overseen by China's State Council, CDB boosts one of the world's biggest economies by primarily providing financing support to large infrastructure projects such as the Three Gorges Dam. Recently, it bared an infrastructure spending spree close to \$300 billion to aid the building of roads, bridges and tourism infrastructure through to 2020.

In this AD>ANCE Magazine interview, CDB Chairman Hu Huaibang, who assumed the position in April 2013, talks about the national bank's role in revving up China's economic engine.

How do you see the CDB's role in China's development?

The central government of China has set the vision for innovative, coordinated, green, open and inclusive development. In this context, CDB is committed to promoting the supply-side reform and has contributed significantly to China's social and economic development, demonstrating a clear sense of mission and responsibility as a development finance institution.

We have mainly worked in the following areas:

First, we have been making great efforts to support China's urbanization, stepping up input where needed and scaling back unnecessary engagement. We financed the renovation of shanty areas, implemented development programs aimed at tackling poverty, and carried out major project initiatives of the government.

We have also helped in fostering the balanced development of various regions in China, supported industrial transformation and upgrading, and added impetus to the "Belt and Road" Initiative. Second, with a high risk-awareness, as well as improving our capacity for the early warning and management of risks, especially in key areas, and have better

As of end-2016, CDB's total assets had topped \$2 trillion and its balance of loans about \$1.4 trillion. Its NPL ratio, however, stood at 0.89% – among the lowest in the world.



positioned ourselves to respond to risks. While our total capital grew from RMB7.4 trillion to RMB14 trillion from 2012 to 2016, the non-performing loan ratio has been kept under 1%, among the lowest in the world.

Third, we have continued to streamline management and optimized our governance structure. CDB now provides a package of diverse financial solutions for our customers. While reducing costs, we have greatly improved both operations and services.

What are the consequential decisions you have made as Chairman of CDB?

In July 2013, the senior management of CDB decided on a three-step roadmap to deepen the reform of the Bank. This decision was made in light of the new developments of China's economy and society, with the goal of ensuring the sustainable development of CDB in the long run. It reflects our strategic thinking and a problem-oriented mindset. The three steps include: permanent sovereign credit rating for CDB bonds; the structure of the CDB Group; and a government-endorsed mandate for CDB.

In March 2015, the State Council approved the plan for deepening the reform of CDB and gave us the official mandate as a development finance institution. Institutional arrangements were also made in support of this policy. It was also made clear that CDB enjoys sovereign credit rating. The government also injected \$48 billion into our capital base. In November 2016, the CDB Articles of Association (AoA) was approved by the State Council, the first official document on development finance in China. It established the official mandate of CDB as a development finance institution: serving national strategies, enjoying sovereign credit

rating, operating as a market entity, securing security of its capital and seeking moderate profitability. The AoA provides CDB institutional support. By the end of 2016, CDB's total assets had topped \$2 trillion and its balance of loans about \$1.4 trillion. Its NPL ratio was 0.89%, less than 1% for the 47th quarter. We have become more sustainable and risk-resilient.

How is CDB contributing to meeting the UN SDGs?

As a Chinese development finance institution, CDB is committed to economic, social and environment sustainability. We take it upon ourselves to implement the UN's 2030 Agenda for Sustainable Development, leveraging our expertise and experience in development finance. With our medium to long-term investment and finance programs, we are contributing to the three goals of eradicating extreme poverty, fighting inequality and injustice, and halting climate change. The ultimate goal is to promote better-quality, more efficient, fair and sustainable development in China and around the world.

On eradicating extreme poverty, CDB is stepping up intellectual and financing support. In 2016, CDB set up a leading group on tackling poverty headed by myself. It is to oversee our development efforts aimed at poverty reduction. Under it, we have also created a department of poverty-reduction finance. Our approach is to work with provincial governments in relocation programs, build infrastructure in poverty-stricken counties, promote business development in poor villages and involve more villagers in these efforts, and offer educational assistance to the poor households and students. We have formulated a new set of tools to target where efforts are most needed. In 2016, we granted RMB315.3 billion loans for poverty-reduction programs.



In 2016, CDB had identified over 500 pipeline foreign-currency projects, with a financing demand of more than \$350 billion in the countries along the "Belt and Road," mainly in the areas of infrastructure connectivity and production capacity cooperation.

Inter-Bank Association, and the BRICS Interbank Cooperation Mechanism. International exchange and training programs have fostered better mutual understanding with our partners.

Fifth, to support fair access to education, CDB has financed educational initiatives aimed at reducing poverty, in the hope of increasing the capability of poor graduates to find a job or start their own businesses. This will prevent the intergenerational transmission of poverty.

Last year, we granted RMB22.9-billion student loans, extending a helping hand to 8.98 million students in 2,711 higher education institutions around the country.

To provide better services, we also sent 183 finance specialists to the villages to help with their poverty-reduction efforts.

On fighting inequality and injustice, we are working on five fronts. First, CDB is a key source of finance for the development of infrastructure, basic and pillar industries, and urbanization. To facilitate sustainable development, CDB has leveraged its expertise and increased its support for the development of railway, roads and urban rail transit, promoting the balanced development of various regions and the integration of urban and rural areas in China. We have also allocated more resources to support the development of China's central and western regions and the old industrial bases in the northeast. Second, to build inclusive communities, we have made strong efforts to renovate shanty areas and addressed people's most urgent needs in this regard on a priority basis. We have been a reliable source of funding for the renovation of these run-down areas. In 2016, we granted RMB972.5 billion loans to these programs, benefitting 18 million people. Third, to promote sustainable industrialization, CDB has followed closely China's national strategies of innovation-driven development and green development. We have been a strong ally of strategic, emerging industries, such as the Internet, cloud computing, maritime engineering projects, integrated circuit and new energy. We have also been instrumental in the transformation and upgrading of the service sector.

Fourth, to build sustainable global partnership, CDB has engaged more actively in international exchange, working in partnership with the Shanghai Cooperation Organization Inter-Bank Association, China-ASEAN

On halting climate change, CDB has been instrumental in implementing the national action plans for air, water, soil pollution prevention and treatment, making important contribution to green development. We provided green credit for the areas of clean and renewable energy, green agriculture and transportation, and energy and water efficiency of industries. By the end of 2016, CDB had a green credit balance of RMB1.57 trillion, a leading figure in the banking industry. The programs financed by CDB helped reduce the annual use of standard coal by 52.52 million tons and save 292.62 million tons of water. They cut the annual emissions of carbon dioxide by 131.25 million tons, sulphur dioxide 1.64 million tons, nitrogen oxides 850,000 tons, ammonia nitrogen 70,000 tons, and chemical oxygen demand 700,000 tons.

What has CDB been doing to promote regional integration?

Last year, we made steady progress in international cooperation. The "Belt and Road" Initiative figured prominently in our international business. Major projects were launched, bilateral and multilateral cooperation boosted, and good capital quality was maintained. By the end of 2016, we had granted over \$160 billion of loans in countries involved in the "Belt and Road" Initiative, with a balance of over \$110 billion, accounting for more than 30% of our total international portfolio.

In terms of bilateral and multilateral cooperation on planning, CDB participated in the planning of cooperation initiatives between China and eight other countries, including Kazakhstan, the Laos, Cambodia, and Kuwait.

We are also a party to the planning of three economic corridors: the China-Mongolia-Russia Economic Corridor, China-Pakistan Economic Corridor, and the China-Bangladesh-India-Myanmar Economic Corridor. The cooperation plan between China and Kazakhstan and the China-Mongolia-Russia Economic Corridor saw the signing of agreements among various countries. This had a demonstrative effect on how to enhance the synergy between the national development strategies of the countries involved in the "Belt and Road" Initiative.

We engaged in the planning of a number of key projects in partnership with various government agencies, such as the corridor along the Suez Canal in Egypt, the development of some important areas in the Laos, and the land-based infrastructure cooperation between China and Vietnam. The planning of these projects will be an important part of the inter-governmental MOUs and attract significant government support.

CDB has already seen the fruits of its focus on planning in implementing the "Belt and Road" Initiative. In 2016, CDB had identified over 500 pipeline foreign currency projects, with a financing demand of more than \$350 billion in the countries along the "Belt and Road," mainly in the areas of infrastructure connectivity and production capacity cooperation.

We have supported major overseas projects. In 2016, the UK's Hinkley Point C nuclear power station project was commenced with the investment of China General Nuclear Power Group. This is a typical example of major overseas projects supported by CDB. With our financial support, Chinese companies were able to win the contract for building a high-speed railway connecting Jakarta and Bandung in Indonesia. This is to be China's first overseas high-speed railway project. In the Eurasian region, we provided financing support for a number of key energy and resources cooperation projects, including China-Russia oil and gas cooperation and the natural gas pipelines in Central Asia, delivering shared benefits to all parties involved.

To promote international production capacity cooperation, we are offering special loans for such cooperation projects between countries along the Lancang-Mekong River. We helped a number of Chinese companies, such as Huawei, ZTE, Conch Cement, Hengyi Petrochemical, HBIS and Tsingshan Holding, to build production facilities overseas and export equipment. We are involved in the building of some overseas industrial parks, such as the Suez industrial park and the ones co-built by China and Belarus, the Laos, and Indonesia.

All these projects gave a strong boost to international production capacity cooperation.

To channel more funds towards the "Belt and Road" Initiative, we have been an active participant in multilateral financial cooperation to build up a large circle of partners. Over the years, a number of multilateral financial cooperation mechanisms have been put in place under our initiative, such as the SCO Interbank Association China-ASEAN Inter-Bank Association, and BRICS Interbank Cooperation Mechanism. We are engaging the banks in the member countries for practical cooperation in bilateral and multilateral forms. We also have partnerships with 98 regional and sub-regional financial institutions and the financial institutions in China's partner countries.

In 2016, CDB hosted the meeting of the steering committee of the Long-Term Investors Club and the annual conference of the G20 financial institutions with a development or public mandate (D20). Together with the World Bank and the provincial government of Guangdong, we held the second Investing in Africa Forum. As the rotating chair, CDB hosted the sixth meeting of the China-ASEAN Interbank Association. We also took part in the BRICS Financial Forum, i.e. the annual meeting of BRICS Interbank Cooperation Mechanism, and the meeting of the SCO Interbank Association. During the fifth leaders' meeting between China and Central and Eastern European countries, we put forward the idea of building a China-Central and Eastern European countries Interbank Association. This was adopted by the Riga Guidelines, the official document coming out of the meeting. CDB now has an ever-larger circle of friends and partners.

This year, China is hosting the Belt and Road Forum for International Cooperation in Beijing. The "Belt and Road" Initiative promises a better future for the billions of people along the lines. It is gaining traction by each passing day. CDB sees as its natural duty to take part in this initiative. We will continue to fulfill our mission of supporting national development and improving people's livelihood.

Based on our rich experience in infrastructure development, medium to long-term investment and financing, and international cooperation, we will deepen our cooperation with various partners, better manage risks, and contribute to the "Belt and Road" Initiative, so that the ancient lines of economic opportunities, friendship and cultural exchange will bring about new benefits in our times.

and the winners are...

Now on its 20th year, the ADFIAP Awards continues its prestigious tradition of excellence by honoring individuals and institutions who have contributed significantly to the development of their respective countries. Here are this year's batch of awardees:



OUTSTANDING DEVELOPMENT PROJECTS

Category 1: Human Capital Development

Development Bank of Turkey
Enhancing Human Capital in Priority Regions

Landbank of the Philippines
Management and Leadership Framework
Management and Leadership Development Programs

Merit Award:
SME Bank Malaysia
SME Bank Employee Capacity Building

Category 2: Environmental Development

Development Bank of Japan, Inc.
The Japan Wind Development Joint Fund

IDBI Bank Limited
Lighting a Billion Lives' Project

Merit Award:
Development Bank of the Philippines
Integrated Resource Recovery Management by FDR-Integrated Resource Recovery Management, Inc.

Category 3: SME Development

DFCC Bank PLC
Setting a Specialized Unit for Development of MSMEs

Small Industries Development Bank of India (SIDBI)
SIDBI's SME Development Solutions & Initiatives:

- Digital Solutions for Enterprising India
- End-to-End Energy Efficiency (4E) Solutions
- Funding Securitisation of Microfinance Asset - An Innovative Approach by MUDRA for Market Making
- Fund of Funds Operations of SIDBI
- ISO 27001-Date Centre/ Disaster Recovery
- TReDS Set UP by Receivables Exchange of India Ltd.

Merit Award:
Tekun Nasional
Programme Zero to Hero (Successful Entrepreneur)

Category 4: Infrastructure Development

Development Bank of Mongolia
Amgalan Heating Plant Project

Bank of Industry and Mine

- Ilam Petrochemical Company
- Gostareh Energy Atieh No
- Mahtab Kahnnoj Power Plant

Merit Award:
Bank Pembangunan Malaysia Berhad
East Klang Valley Expressway

Philippine Export-Import Credit Agency
Steel Asia's Steel Bar Manufacturing Facility in Davao

Category 5: Technology Development

Development Bank of Jamaica
Development of Multimedia Software U-TOUCH II using Jamaican Sign Language to Teach Standard English to Deaf and Hard of Hearing Students

Pag-IBIG Fund
Pag-IBIG Fund's Electronic Payment and Collection Facility: Faster and Convenient Transactions for Members, Efficient Recording and Savings for the Fund

Merit Award:
Alalay Sa Kaunlaran Inc.
Shifting to Paperless Transaction:
A New Landscape in the Microfinance Operation

Category 6: Trade Development

International Investment Bank
Trade Finance Support Programme

SME Bank Malaysia
Best Exporter Program

Merit Award:
Export-Import Bank of India
Assistance to Sure Power LLC

Category 7: Local Economic Development

Alalay Sa Kaunlaran Inc.
Increasing Economic Productivity of Small Holder Farmers and Indigenous Communities through Hanging Bridges

Development Bank of Japan, Inc.
DBJ's Local Tourism Industry Support Initiatives

Merit Award:
Zarai Taraqiat Bank Limited
Agri-Warehouse Receipt Financing Scheme - Red Chilli Pilot Project

National Small Industries Corporation
NSIC's Model of Rapid Incubation for Creating Self Employment Opportunities for Youth

Category 8: Financial Inclusion

Microfinance Development Fund
Promoting Microfinance in Bayan-Ulgii (A tool to support household production and poverty reduction in rural areas of Mongolia)

Fiji Development Bank
Small Start, Big Leap

Merit Award:
RCBC Savings Bank
My RCBC Savings Wallet Loading Partners

Credit Guarantee Corporation Malaysia Berhad
Portfolio Guarantee (PG) for Micro Enterprises

Category 9: Corporate Governance

Philippine Export-Import Credit Agency
PhilEXIM Strategic Framework (2014-2017)

Employees Provident Fund
EPF Corporate Governance Program

Category 10: Corporate Social Responsibility

Export-Import Bank of India
Jaipur Foot Centre

IPDC Finance Limited
Commitment Broad-Spectrum, IPDC Finance Limited

Merit Award:
Samoa Housing Corporation
Habitat Build Project II

INDIVIDUAL AWARDS

Outstanding CEO Award

Datuk' Wan Mohd Fadzmi Wan Othman
President/Chief Executive Officer of Agrobank



Distinguished Person Award

Mr. Sergei Roumas
Chairman of the Management Board of the Development Bank of the Republic of Belarus



SPECIAL AWARDS

Best Sustainability Report

Alalay Sa Kaunlaran Inc.

Best Website

SME Bank Malaysia

Best Annual Report

Credit Guarantee Corporation Malaysia Bhd.

First Payor

Optimum Development Bank

Meet the ceo of the year



Since taking over as CEO in 2011, Dato' Wan Mohd Fadzmi Wan Othman has been the driving force of Agrobank's transformation. In addition to building and growing Malaysia's agriculture sector, Agrobank under his leadership has become a full-fledged shariah compliant bank within three years and recorded strong growth and performance.

How long have you been CEO of Agrobank?

I joined the Bank in 2011. When I was approached to helm Agrobank, I had just returned to Malaysia after spending more than 15 years working in financial hubs such as London, New York and Hong Kong. I was surprised by the offer, but I understood the focus then was to shift Agrobank's focus back to its mandated role in agriculture.

Is being a banker your life goal?

My primary goal was to pursue my career in a business-related industry, but, in those days, there was neither career advice nor guidance. I embarked on a career in banking by coincidence, but eventually started to embrace this profession. To me, being a successful banker means being able to touch the heart and soul of people, being able to provide them with financial assistance and advisory, and seeing them benefiting from it.

Personally, I find it very rewarding to witness how access to finance enables entrepreneurs to start their business small and eventually grow their business for export. At Agrobank, we have many notable entrepreneurs who have successfully grown their businesses and contributed in turn to the country. For example, Ramly Group, the firm behind the iconic, Malaysian-born "Ramly Burger" brand, started as a home-based business. Dato' Ramly Mokhni and his wife started the business together in the 1980s and now the current business turnover is RM1 billion. This is just one of Agrobank's many entrepreneurial success stories.

At Agrobank, we are strongly inspired by our customers' strong commitment, guts and drive to create better lives for themselves and their communities. They are our inspiration to do our very best to continuously provide quality financial services.

You were in commercial banking prior to joining Agrobank. What was the rationale behind your career move??

Agrobank's management was seeking a leader (banker) with a commercial background to head this DFI and lead the transformation.

Frankly, I was not without reservations when I was approached to join the Bank in 2011. Back then, its non-performing loan (NPL) ratio was at 24.7%, which was high compared to a commercial bank's NPL.

When I left Hong Kong, my NPL was 0.02%. In fact, wherever I had worked, my NPL had always been below the 1% threshold. So yes, I did have my reservations. However, after much thought and consideration, I believed it was the right time to contribute (to the nation) and hence made the decision to join Agrobank. For the record, Agrobank has significantly reduced its NPL to a single-digit ratio, around 5%.

What were the toughest decisions you have made as CEO of Agrobank?

There were many tough decisions particularly when we embarked on our transformation programme. For example, changing the mindset of the team from activity-based to outcome-based. Measuring performance is critical to ensure the Bank's positive growth and, at the same time, to effectively execute our mandated role to grow the agriculture industry.

When I first joined the Bank, I was considered an 'outsider'. There was a lot of resistance so first I had to gain the team's trust and confidence. It was tough, but I believe a good leader must show the way and lead by example. During the first few years, we focused on getting our house in order and strengthening the foundation. Thank God, all our hard work is showing positive results.

Looking at our balance sheet, in terms of growth, you can see there is an upward trend. In 2014, we hardly had any growth, but in 2015, six months after becoming a full-fledged Islamic bank, we experienced some 7% growth.

As of the end of 2016, after operating as an Islamic bank for a full year, we charted a 16.7% growth. This was above the industry average. I must thank and acknowledge my team who worked very hard to achieve our strong performance, and continue to do so today.



We also focused on enhancing financial inclusion by providing access to a range of quality financial services at affordable rates and financing at competitive rates. In recent years, Agrobank has put significant emphasis on developing more innovative products for targeted groups, such as **'Paddy-i'** financing that is designed to cater for paddy farmers who are usually seasonal income earners, and **'AgroBakti'**, a special financing for people with disabilities. This is in line with Agrobank's objectives to expand financial inclusion, which is both a development imperative for the underserved community and a forward-thinking approach to unlocking economic potential in new and disenfranchised markets.

The prospects for agriculture are positive and promising. Agriculture is always associated with food. During both good and bad times, people will need food. Therefore, from a macroeconomic perspective, we are still very sustainable because we are in the food business.

For 2016, thanks to our leadership and market dominance in the premier agricultural financing sector, Agrobank recorded the highest financing value of RM5.14 billion with a growth of 15.3% compared to the same period last year, when we recorded a total financing value of RM4.5 billion.

In the category of financing for the primary agriculture sector, the food crops segment contributed the highest financing value of RM2.91 billion with a growth of 14% compared to the same period last year. The growth shows that there is great potential in the agriculture and agro-food sectors with continuous demand locally and overseas despite current economic conditions.

Agrobank continues to innovate to support the government's initiative to increase food production. Now, Agrobank offers competitive financing products with low profit rates, such as the **Food Production Credit Scheme, 'Fund For Food (3F), Hartani-i'** which is financing for the purchases of agricultural land, Trade Finance services and many others.

Moving forward, Agrobank will remain committed to providing access to finance for entrepreneurs in the agriculture sector and to support the Government's financial inclusion objectives.

What is your biggest project in Agrobank?

Our conversion into a full-fledged Islamic Bank (FFIB) ranks as one of Agrobank's biggest and most demanding projects.

We strongly believe that food is synonymous with agriculture and upholding halal standards are essential to ensuring the Muslim community's well being. The FFIB conversion enables Agrobank to provide Islamic

banking products and funding to support and nurture the holistic ecosystem of halal food production. This is a truly strategic move as the availability of shariah-compliant instruments will ensure that the outcome of agro-based projects are truly halal from farm to fork, while ensuring that the business transactions related to halal food production are shariah-compliant, too.

The FFIB process was gruelling, involving major and significant changes in mindset and processes and redrafting of all documentation. Some people considered our 3-year timeline as being too ambitious and aggressive. However, the team at Agrobank truly believes that agriculture, by nature, is a good fit with Islamic finance. Hence, we persisted with our commitment and perseverance. Agrobank officially became a full-fledged Islamic Bank on 1 July 2015.

We are very humbled and grateful that our FFIB journey was documented as a case study published by Cambridge IFA. The case study was launched by Tan Sri Dr Ali Hamsa, the Chief Secretary to the Government of Malaysia, last year at the 12th World Islamic Economic Forum. A PDF version of the case study is available for download from our website, www.agrobank.com.my.

What are Agrobank's contributions to meeting the UN SDGs?

Generally, there are 17 SDGs in total and Agrobank focuses on two main goals: 'No Poverty' and 'Zero Hunger'.

Goal 1: No Poverty - Agrobank has extended financial services extensively to the unserved and underserved by:

Operating a wide branch network. As at 31 Dec 2016, Agrobank has coverage of 71% of Malaysia's rural area through our current network of 185 branches. Deploying AgroAgents nationwide with focus on rural areas, facilitating access to financial services for poor/unbanked citizens, reaching out to untapped markets and customers, providing an avenue for AgroAgents to earn income from commission and incentives, as well as improving the economy of the community via the recirculation of cash.

AgroBakti, the first of its kind in Malaysia, is a financing programme dedicated to Persons with Disabilities and provides this group with the opportunity to procure working capital that will help improve their income levels. AgroBakti uplifts the socio-economic status of the disabled community, thus improving their financial inclusion and contributing to the nation's development and prosperity.

Goal 2: Zero Hunger - Agrobank is committed to championing stakeholder initiatives for Self Sufficiency Level (SSL) for food security, to ensure a supply of staple foods for the local population. Rice is a staple food for Malaysians. **Paddy-i** is a financing scheme offered by Agrobank to finance the plantation and replantation of paddy in Malaysia. Paddy-i aims to meet the working capital requirements of paddy farmers for the purchase of paddy seeds, fertilisers and production costs associated with the running of a paddy field. To date, it remains the only financing scheme of its kind in Malaysia catering specifically for paddy replantation and offered by a financial institution.

What is your aspiration for Agrobank?

Moving forward, the focus is to keep the momentum going and ensure the legacy of Agrobank continues in a sustainable fashion. We will be celebrating our 50th anniversary in 2019 and I keep telling my people that I want this bank to be around for another 150 years. So I want to focus more on strengthening the human capital, integrity, personal values, commitment that should be the core and DNA of our bank.

I sincerely believe that the team at Agrobank must continue to balance our developmental and commercial roles to benefit the agriculture sector and maintain the sustainability of our organisation.

What I want people to know is that we are going beyond numbers. We believe in developing successful entrepreneurs and elevating their socio-economic status. Our passion for this is what differentiates us from commercial banks.



Agrobank Agropreneurs Awards (3A) aims to recognise outstanding and successful Agrobank clients who can be icons for other entrepreneurs of the industry and encourage more entrepreneurs to build agro-based business.

"The focus is to keep the momentum going and ensure the legacy of Agrobank continues in a sustainable fashion."

What makes Agrobank unique?

Agrobank was established in 1969 with a clear mandate: to provide financial access and credit for the development and growth of the agriculture community in Malaysia. This was aligned with the nation's aspirations then to reduce poverty and provide economic opportunities for the community, especially in rural areas.

We always believe that financial inclusion is a powerful agent for strong and inclusive economic growth as it empowers individuals and the community to better their lives.

When I joined Agrobank, we came up with the plan for the transformation and to re-focus our objectives back to our mandate in agriculture. Importantly, we focused on increasing the products and services available for financing agriculture business activities. Agrobank now offers comprehensive financing solutions: a complete financing value chain for agriculture, including upstream activities such as agriculture production, and downstream activities such as processing and selling agriculture products to customers.

Q&A

SDGS & OPPORTUNITIES FOR DFIS



While global development banking institutions are hogging the limelight of late, national-level development financing institutions (DFIs) play an even more critical role in the achievement of the United Nation's Sustainable Development Goals (SDGs), said Aniket Shah, program leader of the UN Sustainable Development Solutions Network (UN SDSN) and director of the Financing for Sustainable Development Initiative at the SDG Center for Africa.

We talk to Mr. Shah on how to finance the sustainable development agenda and the role of DFIs and regional networks like ADFIAP in implementing the SDGs.

ADVANCE (ADV): What are the activities of SDSN?

Aniket Shah (AS): The SDSN is a network of universities, academic centers, policy and business leaders that was commissioned by the former United Nations Secretary General Ban ki-Moon to accelerate progress towards sustainable development. It is directed by Professor Jeffrey Sachs.

ADV: What has SDSN achieved so far in terms of implementing the UN SDGs?

AS: The SDSN has been involved in both the formation and implementation of the SDGs as a technical advisor to governments and international institutions. The SDSN has contributed cutting-edge thinking in SDG financing, data, institutional needs and other key areas for the implementation of the SDGs.

ADV: What are the major challenges you see in SDG implementation?

AS: The major challenge about SDG implementation is acceleration. Most governments around the world understand now the need for sustainability and dramatic changes in energy and land uses systems for climate change. The challenge is to move faster and bolder in this direction. Given this challenge, it is vital that technology and the needed financing is made available so that countries and regions can move more decisively to sustainable development.

ADV: What opportunities do you see in regional cooperations such as ASEAN integration?

AS: Regional cooperation is a fundamental aspect of SDG implementation, and this is true in no other than Asia. Despite the growing anti-globalization sentiment, the world is integrating more and more at a regional level and this requires cooperation along cross-border financing, infrastructure, social inclusion and other key areas of the SDGs. I see regional cooperation organizations as some of the most important institutions for the achievement of the SDGs.

ADV: There has been a growing anti-globalization sentiment of late. How do you think this will affect your vision at SDSN and the adoption of UN SDGs?

AS: The world is truly in a precarious position with a growing anti-globalization sentiment, particularly in the West. At the same time, however, China is increasing its global engagement through very ambitious initiatives such as the Belt and Road Initiative. So I don't think that the anti-globalization sentiment is universal.

I would also state that the SDGs can remind the world why integration is needed. By clearly stating the needs for society over the next 15 years, it makes it very clear why cooperation is needed and the more successful way forward.

ADV: How can regional networks such as ADFIAP help you achieve your goals in promoting and implementing the UN SDGs?

AS: ADFIAP is, in my opinion, one of the key networks of the entire world to make the SDGs come to life. National and regional DFIs should be the main financial actors for the implementation of the SDGs.

These are institutions that were set up to advance long-term economic and sustainable development needs. ADFIAP can play a breakthrough role in Asia by strengthening the size and scale of DFIs to help fill the over \$1-2 trillion investment gap for the SDGs in the region.

"ADFIAP can play a breakthrough role in Asia by strengthening the size and scale of DFIs to help fill the over \$1-2 trillion investment gap for the SDGs in the region."

MAKING THE NUMBERS MATTER: HOW DFIs HELP ACHIEVE THE SDGs

Digital disruption is not the only factor reshaping the landscape of banking and finance. The Sustainable Development Goals (SDGs) adopted by the United Nations also presents new and powerful tools for development financing institutions (DFIs) to create a sustainable economy.

In this Q&A interview, we asked the following CEOs of our member-institutions on the role of DFIs in meeting the UN SDGs, and here are their answers:

How do you see ADFIAP's unique role in helping DFI members meet the UN SDGs?



ADFIAP Chairman and DFCC Bank Director and CEO Arjun Fernando (DFCC):

As the focal point of development banks and other financial institutions engaged in financing sustainable development in the Asia-Pacific region, ADFIAP can play a leading role in helping DFI members meet the SDGs. This is done by ADFIAP in the following ways:

- **Inclusion:** By encouraging members to work in a cooperative, synergistic, and inclusive way. This is done by maximizing the resources of a diverse membership, leveraging the differences among them and encouraging participation of all.
- **Involvement:** By providing the opportunity for members to participate in a worthwhile and a common cause (e.g., meeting the SDGs), in a new thinking that improves understanding of what works, in better practice that supports institutions and peoples, and in networking that brings members together.
- **Innovation:** Providing a new way of doing something. For innovation to occur, something more than the generation of a creative idea or insight is required - the insight must be put into action to make a genuine difference, e.g. new ways of achieving targets under SDGs.

In addition to the above, the ADFIAP Development Awards Program started in 1997 and held annually honors members of the Association that have contributed significantly to the sustainable development of their respective countries. Recognizing its members for their contribution towards meeting SDGs under this award program is a unique role that ADFIAP can play. This will immensely contribute to active participation of DFI members on SDGs.



Development Bank of the Philippines President and CEO Cecilia C. Borromeo (DBP):

ADFIAP is the venue where sustainable efforts of each DFI can be viewed. Its repository of information ranges from the emergent initiatives to the very transformational implementation of actions. ADFIAP can capture the value from these well-stocked data and provide its members with varied mechanisms with which to accelerate developmental undertakings.

As ADFIAP pursues its role in achieving the SDGs in the sphere of development finance, it must constantly provide information on best practices that will broaden the viewpoints of its members so they can choose the appropriate way to merge development perspectives (participatory, collective and equitable) with banking and finance.



SME Bank Malaysia Group Managing Director Datuk Mohd Radzif Mohd Yunus (SME Bank):

SME Bank Malaysia joined ADFIAP in 1988 as Bank Industri dan Teknologi Malaysia Bhd. Since then, ADFIAP has helped us meet the Millennium Development Goals and supports us in achieving the SDGs.

Participating as a member of ADFIAP has benefited SME Bank in many ways in term of knowledge sharing, international recognition, exposures with access to state-of-the-art banking, trade and business management solutions, and many others. In terms of supporting SME Bank to realizing the SDGs, ADFIAP's sustainable development work and advocacy covers four core elements: social, environment, economic, and governance. Each of the core elements differs from each other by the scope and activities. For example, in terms of economic element, ADFIAP supports all of the efforts of small and medium enterprise (SMEs) which has been recognized as the backbone of the economy. ADFIAP has conducted lots of programmes, courses and knowledge-sharing activities to increase SMEs financing among the members.



To address the issues of climate change and environmental preservation, SME Bank provided financing for Gading Kencana Sdn Bhd, an 8-MW solar photovoltaic power generation plant in Malacca, Malaysia.

Besides, ADFIAP has supported its members' effort in providing Green Financing and sustainability reporting initiatives. In 1998, member-DFIs of ADFIAP launched the "Greening of DFIs" project to promote and institute environmental due diligence in lending. We at SME Bank Malaysia have supported the initiatives by providing financing to many projects that inculcate the green development for a better future of the next generations. Among the projects were the development of an 8-MW solar farm at Kompleks Hijau Solar in Malacca by Gading Kencana Sdn Bhd and green building initiative by Amanjaya Specialist Hospital (ASH) in Kedah.

ADFIAP also supports our efforts in providing financial inclusion and microfinance initiatives. Through this effort, we are ensuring that the goals of alleviation of poverty and improvement in the standard of living of our people might be realized and thus lead to higher economic growth of the nation as a whole. SME Bank currently provides financing to micro entrepreneurs, women, youth, among others, in Malaysia in supporting the financial inclusion agenda championed by ADFIAP.

How is your membership in ADFIAP helping your organization meet the UN SDGs?

DFCC: Sustainable development is embedded in the vision and mission of ADFIAP. As an ADFIAP

member, DFCC Bank benefits from the four core elements of social, environment, economic and governance under the sustainability development framework of ADFIAP.

DBP: ADFIAP being replete with information on sustainable endeavors provides DBP the setting to benchmark its developmental initiatives. It enables DBP to gauge the significance and depth of its financing efforts. Additionally, DBP derives proven approaches and linkage which can be employed as it strives to build resilient communities and progressive institutions.

In a smaller scale yet impactful, ADFIAP's continuing capacity enhancement sessions with considerable focus on development finance sustains the mindset of development bankers in balancing the requirements of a developing economy versus the profit imperatives of its respective development banks. DBP attendees benefit from these learning sessions as they obtain a wider banking perspective that hinges on inclusivity, the protection of environment and good governance.

SME: As one of the Board members of ADFIAP, we believe that our participation has provided quite a number of policy feedbacks in the discussion to set up the right direction of this global association for the future of its members. Our participation also gives us the chance to review ADFIAP's strategic direction, define its specific goals and objectives related to its mission, and evaluate the success of the Association's services.

So SME Bank not only benefits from its participation in ADFIAP, but we also helped share our knowledge, provide advisory, and also act as a policy maker for the Association to head towards the right mission and vision. SME Bank has been working together with other members of the Board to ensure the Association stays relevant and better prepared in facing the challenges of new megatrends and the new economic revolution.

On how our membership in ADFIAP has benefitted us: we believe that the roles of ADFIAP are divided into three parts which are Educating, Supporting and Rewarding. ADFIAP plays its roles to educate through organizing specialized training programs and technical assistance projects of international, bilateral and multilateral development institutions.



To help Sri Lanka meet SDGs, DFCC Bank launched a campaign to plant 100,000 trees.

Another way on how ADFIAP supports its members in realizing the SDGs is by rewarding members' efforts of providing good financing, which is in line with the SDGs. The ADFIAP Awards Program started in 1997 and is an occasion to honor members of the Association that have contributed significantly to the development of their respective countries.

SME Bank has participated in quite a number of categories every year and has won in a few categories since its participation.

What specific projects have you undertaken that will inspire other DFIs to meet the SDGs?

DFCC: In 2015, Sri Lanka became the first country in the Asia-Pacific Region to establish a Ministry for Sustainable Development. The Ministry is developing systems linkages, mapping between and among the 169 targets and the 400-plus mandated implementing agencies in the country to help define the roles and responsibilities of implementing the SDGs and assessing the capacity building and means of implementation. The ultimate goal of Sri Lanka is to create a model of implementing the SDGs in three phases: 2017 to 2020, 2020 to 2025, and 2025 to 2030.

DFCC Bank has built a close relationship with the unit responsible for SDG implementation in Sri Lanka, which is operating under the Ministry of Sustainable Development & Wildlife. DFCC Bank has expressedly communicated to them our willingness to join in operationalizing the SDGs for Sri Lanka, which is a pioneering initiative in the banking sector. As a result,

DFCC Bank has become an active participant, as well as a presenter, in workshops conducted by the Ministry towards the implementation of the SDGs.

In addition, the Bank has commenced implementing these two major CSR activities in order to contribute for the achievement of SDGs: a campaign to plant 100,000 trees; and providing English education to the rural youth.

DBP: Under our Environmental Developmental Project, we make available medium and long-term funds to local government units, government-owned and -controlled corporations, cooperatives/associations, water districts, private corporations, and private water service providers. In tandem with technical assistance, the funding advances environmentally safe projects. The project covers water supply and sanitation, new and renewable energy, industrial pollution control, and solid/health care/hazardous waste management.

In the past, we have funded climate change adaptation projects such as slope stabilization for a private university. Recently, we approved the financing of the construction of a drainage system of a city hit by Typhoon Haiyan (Yolanda). The project protects the coast from erosion and improves the ecology within the community. It also positively impacts on the lives in the area because as we know, flooding creates population displacement, and during disasters, overcrowding in resettlement areas occur and the transmission of communicable diseases becomes a risk. We also support energy-efficiency by indirectly financing, for instance, the retrofitting of the street lamp system of a local government unit.

Our Sustainable Health Care Investment Program is a credit facility available for investments in hospitals and other health-oriented or allied businesses. The eligible expenditures are construction/renovation, acquisition of medical equipment and non-medical equipment for health facility use, working capital requirements, and the acquisition/installation/upgrading of information systems.

We have a banner program for shelter: the Residential Real Estate Financing Program (RRFP) that aims to effectively address the shelter and tenure security needs of employees in the public and private sector, OFW families, new households and homeless Filipinos while consciously promoting

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DBP recently approved a loan for the construction of a drainage system of a city hit by Typhoon Haiyan (Yolanda) which aims to protect the coast from erosion and improve the ecology within the community.

sustainable alternative construction technologies, environmental consciousness, housing microfinance and a holistic approach to community development. It covers funding for land acquisition, site development and shelter construction, housing microfinance component, and project preparation and financing facility.

The DBP Educational Fund Program supports basic education, tertiary education, technical/ vocational education and alternative learning systems. It aligns with DBP's strategic direction on improving the lives of Filipinos across the nation through the highest possible standards of quality education. This is a Php10-billion program.

One of our investments in corporate social responsibility is through the DBP Endowment for Education Program (DEEP). It is a dire-needed intervention designed to alleviate poverty by developing the human capital. The best and the brightest high school graduates coming from financially challenged backgrounds are provided educational opportunities. This is made possible through a strengthened linkage with our program partners.

SME: ADFIAP's sustainable development work and advocacy covers four core elements: social, environment, economic, and governance. It is parallel with the mission of SDGs. For SME Bank, we have

ensured that all of our programmes and products will serve all the four core elements.

In terms of addressing the economic development, we have introduced several programs and one of the best example would be the Tabung Usahawan Siswazah (TUS) or Graduate Entrepreneur Fund. This was launched in 1998 as one of the Government's strategies to overcome high unemployment rate among graduates, particularly due to the economic crisis affecting Malaysian economy in 1997. To address these pressing issues, the Government has been aggressively promoting business ventures for them to be self-employed.

The Government, through the Ministry of International Trade and Industries (MITI), appointed SME Bank as the lead agency to manage the scheme which provides funding assistance to part finance business ventures by these graduates. Since then, a total of 1,846 applications have been approved to cater to the demand from the targeted group.

For social development, we introduced the online business financing products to cater to the new megatrend: the evolution of the digital economy. The possibilities that arise when billions of people are connected by mobile devices, with unprecedented processing power, storage capacity, and access to knowledge, are unlimited. Since the product was launched, we have approved a total amount of RM11.06 million of 80 customers from diversified business activities (Aug 2015-Dec 2016).

To address the issues of climate change and environmental preservation, SME Bank also provides financing for green technology through our products and also project financing. As at January 2017, we have supported the government green technology policy by financing 14 Greentech projects through our project financing. Among the biggest projects are the Amanjaya Specialist Hospital and the 8-MW solar farm by Gading Kencana Sdn Bhd.

How do you see ADFIAP's role evolving as an institution?

DFCC: With the adoption of the 17 SDGs on a worldwide basis to end poverty, fight inequality and injustice, and tackle climate change, the development efforts for the coming 15 years will change significantly. However, there are many challenges to this endeavor. For example, about 860 million people still live in extreme poverty.

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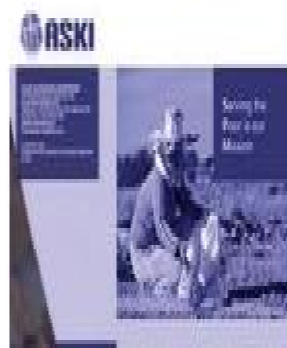
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Therefore, institutions such as ADFIAP should evolve to meet these challenges by making the required changes to its activities. For example, while engaging in financing sustainable development in the Asia-Pacific region, it should focus on assisting its members in the achievement of the 169 targets coming under the 17 SDGs.

With less than 15 years to achieve ambitious targets, no time can be lost. The SDGs represent the closest humanity has come to agreeing at a common agenda for a truly prosperous and inclusive future where no one is left behind. That future could be within our reach, but not without a sharp increase in ambition and action. It is up to institutions such as ADFIAP to move quickly. Only then will we achieve the future that we all want by 2030.

DBP: Adopt what businesses are doing: create customer experience for your member organizations. Examine and provide what they need in different platforms (apps-based, blended learning, online discussions, etc.) to connect better and faster.

Look at borderless exchange and adoption of ideas and systems as DFIs can also learn from commercial banking practices and vice versa. Forge meaningful linkages such that the merits of development banking and sustainable finance will be appreciated beyond those who are engage in it.

SME: ADFIAP has always maintained the concept of community as a strategy for its growth and sustainability. The roles of ADFIAP have become more and more interesting and important in helping their members to achieve SDGs. The new megatrends like demographic shifts, changes in political conditions, fast development in science and technology, economic dynamics, and others have become new challenges and also provide opportunities to all DFIs.

For us, ADFIAP has played its role well in supporting and encouraging its members to use best practices, rules and regulations in providing financing without putting aside the need to have sustainable development.

Nurturing the advancement of SMEs nationwide and its ecosystem are the thrust of our existence.



At SME Bank, we not only meet your financing needs, instead, we support your business growth through the provision of timely and professional advisory services.

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