



Coronavirus news round-up

Update: 02 November 2020

This update is provided by the [ORX News service](#). It summarises key developments and latest news on the operational risk impacts of coronavirus. We'll updating this round-up once a month, so [check the webpage](#) for the latest stories and summaries.

Impact on operations

Italy: CheBancal moves to allow access to branch network by appointment only

[Bluerating.com](#), 23 October

Shock for borrowers as Kenyan banks demand hidden interest

[AllAfrica](#) reported on 19 October that a number of customers who took repayment holidays on their lending arrangements are being hit with surprise interest bills. In March 2020 the Central Bank of Kenya announced that repayment holidays would be available to those who were struggling due to the coronavirus pandemic, many borrowers rushed to take advantage of the measures. However, many customers are now accusing the lenders of failing to adequately

explain the terms of the repayment holidays, and now find themselves faced with unexpected bills for accrued interest.

Lockdown effect on Italian insurance -premiums down 9%

The president of the Institute for the Supervision of Insurance (IVASS), Daniele Franco, has said that in the first half of 2020 the total premium income for insurance companies has fallen by 9%, from €70 billion to €64 billion. He explained that this "is mainly attributable to the life sector", reports [la Repubblica](#) on 19 October. Additionally due to restrictions on movement, motor insurance premiums also fell in the same period.

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Pandemic leads to greater financial inclusion in Brazil

Data from the Brazilian Central Bank indicates that almost 10 million people started their relationship with a financial institution since March. According to [Folha de S.Paulo](#) on 18 October, there has particularly been growth in the number of customers utilising digital services, likely due to the impact of social distancing on branches, and the payment of government aid schemes via digital accounts. It is estimated that upwards of 36 million Brazilians remain outside the financial system, facing issues such as a reduced branch network, unfamiliarity with technology, and lack of internet access.

Lloyds of London reviewing insurance policies

On 12 October, [Reuters](#) reported that Lloyd's of London would be reviewing how insurance products are designed and sold in light of the coronavirus pandemic. Many insurers have faced court cases due to complex language and difficult to interpret policies for business owners, with a lack of clarity on whether disruption due to the pandemic is covered. Lloyd's laid out a recommendation for simpler products and policy documents.

Reinsurers faring well through pandemic

The "big four" European reinsurers (Swiss Re, Munich Re, Hannover Re, SCOR) have maintained strong capital adequacy throughout the coronavirus pandemic, according to [Insurance Business](#) on 12 October. However, these firms have seen their earnings suffer to varying degrees, depending on their particular

exposure in certain markets – for example Swiss Re and SCOR have seen large amounts of mortality claims due to their large market share in the US.

Actions to help clients

Community savings groups affected by pandemic

Local savings groups, in which members of the community pool their savings funds to lend to members have seen a number of changes as a result of the coronavirus pandemic. In particular, restrictions on meetings and economic pressure have hampered members ability to continue contributing to their savings funds. According to [Agence Ecofin](#) on 19 October, there are nearly 750,000 savings groups worldwide with more than 15 million members in 73 countries. For savings groups linked to financial institutions this can mean even more difficulty for members in accessing their savings, with many members living large distances from banks. Digitization of financial services is presented as a solution for supporting these savings groups.

Central Bank of West African States extends period for pandemic loan repayment deferrals

[AllAfrica](#), 19 October



Botswana: FNBB announces coronavirus loan guarantee scheme

The First National Bank of Botswana (FNBB) and the government of Botswana will implement a loan guarantee scheme in order to alleviate the economic impact of the pandemic. The government will act as a guarantor for loan applications via FNBB, and the scheme will be administered by Botswana Export Credit Insurance. The government will act as guarantor for up to 80% of the loan, and businesses will be eligible to borrow up to BWP25 million. [The Monitor](#) reported on 12 October that most businesses are eligible to apply, except those that are partially government owned or state-aided.

Low rates of approval for South African loan scheme

After the initial launch of the pandemic loan scheme in South Africa in May, performance was viewed as poor – leading to a refresh of the scheme in August. However, according to [Business Maverick](#) on 12 October, the amended scheme is also struggling to provide funds to businesses. The value of loans approved and disbursed to date totals ZAR 16.08bn, despite an agreement between the banks and the government to make available ZAR 67bn, with the potential to increase up to ZAR 200bn.

Chile: Mentoring to help over a thousand SMEs with coronavirus business loans

On 29 September, [Pura Noticia](#) reported that the president of BancoEstado had launched an initiative that would see the bank provide specialised support and business advice to SMEs. management, digital marketing, design and communications, ideally with practice in mentoring programs.

Heightened risk

Italy: coronavirus subsidy scams on the rise

According to [Ansa.it](#) on 19 Oct, 10 people in Scido were found by the police to have defrauded the government relief programmes.

Milwaukee pension fund sues Allianz for \$268m loss

On 16 October, [Law 360](#) reported that a pension fund for Milwaukee City employees had filed a suit against Allianz Global Investors, claiming that “negligent mismanagement” caused the pension fund to lose at least \$268m on its investments. AllianzGI is also facing suits over the Alpha Funds from New York’s Metropolitan Transportation Authority pension and benefit plans, a Teamsters union retirement plan, and a Blue Cross Blue Shield employee benefits committee.

Wells Fargo fires workers for abusing coronavirus aid programmes

Wells Fargo has sacked more than 100 employees believed to have defrauded the Small Business Administration’s (SBA) Economic Injury Disaster Loan (EIDL). On 14 October, [Bloomberg](#) reported that the SBA’s inspector general had found evidence of fraud in the program, with more than \$250m given to potentially ineligible recipients and a further \$45.6m in possible duplicate payments.



Hospitality group sues insurer over \$40m in virus losses

The Briard Group (who own more than 120 hospitality franchises, including some Wendy's, TGI Friday's, Marriot, and Hilton) have filed a suit against a Zurich American Insurance subsidiary. The group suffered more than \$40m in losses, due to forced closures during the coronavirus pandemic, and say that American Guarantee and Liability Insurance breached the insurance contract by failing to pay the damages, according to [Law 360](#) (paywall) on 13 October.

Pandemic exposes design flaws in bank capital buffers

On 12 October [Risk.net](#) reported that capital buffers are not working as they should during the coronavirus pandemic. The European Central Bank (ECB) said the release of capital buffers would free up more than €20bn of Common Equity Tier 1 (CET1) capital at systemically important banks. The top tier of banks had permission to effectively cut their CET1 ratios by over one-third. As of the end of the second quarter, though, the weighted-average CET1 ratio of 147 European banks was 14.7%, down just 20 basis points from end-2019 – and actually rose between March and June. A number of potential reasons for low utilisation of the buffers were highlighted including concerns about future credit losses, and doubt about the ability to replenish these buffers.

Banks warn of rise in ransomware attacks

According to [Risk.net](#) (paywall) on 9 October, banks are saying that the threat of cyber-attacks, such as ransomware, has risen due to the increased number of entry points with staff working remotely. Speaking at OpRisk Europe Lester Joseph, manager of the global financial crimes intelligence group at Wells Fargo described "an epidemic of financial crime around the world" in response to the coronavirus pandemic. Banks are encouraged to train staff around the risk of phishing and other methods of introducing ransomware into their systems. This follows a report from Interpol in August showing an "alarming" rise in cyber-attacks during the pandemic, including phishing emails, malware and data compromise.

Financial stability & regulatory

UK regulator warns banks over remote working conduct rules

[Reuters](#) reported on 12 October that the Financial Conduct Authority (FCA) had stated that banks had a responsibility to apply the same standards of surveillance and conduct to remote workers and those in the office during the pandemic. Particular attention is being given to how sensitive information is being handled, and information that could be considered "inside information" with regards to business operations.

UK tax agency will get back to tax investigations following time spent supporting pandemic support plans

[Financial Times](#), 8 October



Brazilian banks fined for not extending their opening hours to enable customers to social distance

PROCON, a major consumer protection agency in Brazil has fined bank branches in Santa Catarina BRL240,000 for refusing to extend their opening hours, according to sulinfoco.com on 6 October. In March, the Central Bank of Brazil made a resolution in response to the pandemic which would allow banks to reduce their hours without giving 30 days notice, and exemptions from the minimum service hours. As a result of a reduction in hours, queues began to form which prevented adequate social distancing, and as a result PROCON instructed the banks to remain open from at least 10am to 4pm.

some detailed guidance in the consultation paper which we'd need to have a look at and see whether or not that's still appropriate".

Bank of England (BoE) may update resilience guidance post-pandemic

According to [Risk.net](https://www.risk.net) (paywall) on 6 October, a senior advisor at the BoE has suggested that the UK regulator may refresh the guidance on operational resilience in light of the coronavirus pandemic. Speaking at OpRisk Europe, Nick Strange, senior technical adviser for operational risk and resilience at the UK's Prudential Regulation Authority, said "We don't envisage any changes to the underlying principles, but there is

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Impact on operations

Portuguese banks undergo major re-structuring including redundancies and branch closures as a direct impact of the pandemic

[portugaldigital.com](#), 28 September

Allianz ends pandemic protection in new property and accident policies

The coronavirus crisis has caused high losses to the insurer in the first half of the year, [fondprofessionell.de](#) reports on 23 September.

Goldman Sachs and JPMorgan face coronavirus cases after workers return to the office

[CNBC](#), 18 September

Barclays traders in London sent home after testing positive for coronavirus

[fnlondon.com](#), 17 September

Reinsurer Munich Re suspends sales of policies with pandemic protection

[beta.financial.de](#), 11 September

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Kenyan commercial banks lose Sh19.48bn in the first half of 2020 because of coronavirus impact on loan defaults

[Business Daily Africa](#), 8 September

Insurer Momentum Metropolitan revises targets as earnings halve

[news24.com](#), 9 September

Lloyds of London expected to pay £5bn in coronavirus claims

Insurers at Lloyd's are facing pay outs on a wide variety of policies, including event cancellation and business interruption, [the Financial Times](#) reports on 10 September.

Barclays withdraws mortgages after nearing lending limit to higher-risk borrowers

The bank reduced the maximum customers could borrow from 5.5 times income to 4.49 times without notice. The change affected borrowers who had already agreed mortgages, putting some property purchases at risk of collapse, [the Financial Times](#) reports on 10 September.

Private equity firms Blackstone and Advent pay for coronavirus tests and taxis to bring staff back to work

[The Financial Times](#), 7 September

South African Insurer Santam suspends dividends whilst waiting to see how big lockdown claims will be

The insurer has already set aside a claims provision of R1.3bn for business interruption exposure, [news24.com](#) reports on 3 September

Italy: households and business applications for moratorium on loans exceed €300bn

[Bank of Italy](#), 2 September

Actions to help clients

[Banco Central do Brasil](#) launches anti-fraud campaign following 60% increase in cybercrime targeting elderly customers

8 September

[UniCredit](#) and the European Investment Bank (EIB) provide €200m for Italian SMEs and Mid-Caps through the pandemic

7 September

UAE health insurer Daman launches bot to fight coronavirus

[Middle East Insurance Review](#) reports on 7 September that Daman and Microsoft have collaborated to launch a bilingual health bot to assist patients with coronavirus symptoms self-assessment



Heightened risk

The European Central Bank (ECB) urges to extend moratoriums but warns of risk of €1.4trn generated in bad loans

[El Confidencial](#), 29 September

German insurance associations warn of consequences of ending credit insurance protection

The credit insurance protection was agreed in April and will expire in December, [versicherungswirtschaft-heute.de](#) reports on 28 September.

Bangladesh Bank extends timeframe for loan repayments until December

[bdnews24.com](#), 28 September

UK: Fraudsters take advantage of government-backed loan scheme

The Bounce Back Loan Scheme (BBLs) was announced in April and intended to help small businesses during the crisis. The loans are 100% backed by the government and do not have to be paid off for six years. They are interest free for the first 12 months, and are administered by 12 banks. [The BBC](#) reports on 27 September that criminals have been stealing identities and setting up businesses in the victims' names to obtain the loan. They claim up to £50,000 on each application.

Banco Itaú branch fined for breaking social distancing rules and allowing customers to queue in crowded conditions

[globo.com](#), 14 September

Australia: rise in scams targeting pandemic and natural disasters

[Sydney Morning Herald](#), 14 September

JPMorgan fires employees who took coronavirus relief funds

According to [the Financial Times](#) on 10 September, JPMorgan employees improperly applied for and received money under the Economic Injury Disaster Loan (EIDL) programme, which offered grants of up to \$10,000 and low interest loans to businesses hurt by the pandemic.

German insurance sector expects increased fraud as a result of coronavirus

[provision-online.de](#), 2 September

South African insurer Old Mutual earnings drop by 67% due to coronavirus

[news24.com](#), 1 September

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Impact on operations

CaixaBank raises liquidity coverage to maximum to shield itself against the pandemic crisis

[Expansión](#) (paywall), 13 August

Auckland banks close to prepare for lockdown

As the city of Auckland, prepared to go back into lockdown on 12 August, [NZ Herald](#) reported that four major banks (ANZ, BNZ, Westpac and Kiwibank) would close their branches in order to ensure they were ready to comply with lockdown operating protocols.

UK insurer Royal London pays out £8.5m on coronavirus-related deaths

[The Guardian](#) reported on 10 August that the UK's largest mutual insurer, Royal London, had paid out £8.5m in life insurance claims to families of victims of coronavirus, over 1,200 customers. The insurer has also set aside £10m for future claims. This follows £36m paid out by both L&G and Aviva on policies held by coronavirus victims. While sales of pensions have fallen, sales of life insurance, illness, and income protection policies have risen due to the pandemic.

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Egyptian insurance market predicted to see 15-20% decrease in premiums in FY21

According to the [Middle East Insurance Review](#) on 6 August, the chairman of Insurance Federation of Egypt, Mr Alaa El Zoheiry has stated that the coronavirus pandemic has proved particularly challenging for travel and aviation insurers and motor insurers.

Dutch buyers facing coronavirus questionnaire when applying for mortgages

On 2 August, [AD.nl](#) reported that some consumers were facing difficulties when applying for new mortgage lending from Dutch banks – particularly those employed in sectors affected by the pandemic. Many lenders are now requiring applicants to complete a “corona questionnaire” which explores how vulnerable their employment is due to coronavirus. According to AD.nl “Entrepreneurs, including freelancers, must show that they can absorb any blows with a financial buffer and explain why they think they will have a stable income in the coming years. Salaried homebuyers are asked whether current income will be negatively impacted by the consequences of the coronavirus crisis in the next twelve months.”

Actions to help clients

South Korea: Banks may extend loan repayment deferrals amid coronavirus resurgence

The [Korea Herald](#) reports on 18 August that major lenders are expected to extend loan repayment deferrals in light of the ongoing economic impact of the pandemic. The estimated value of these deferred payments at the country’s top five lenders totals KRW39 trillion. These measures were originally implemented in March and are due to expire in September.

Heightened risk

South African insurer Old Mutual’s earnings tank two-thirds due to R2.8bn hole created by coronavirus

[News24](#), 1 September

Kenya’s top seven banks set aside Sh31.7m for loan defaults

[Business Daily Africa](#), 31 August

Uganda: Stanbic Bank Uganda profits drop by \$1.80m

[AllAfrica](#), 26 August



Santander and BBVA reopen debt market

[Expansión](#) (paywall), 21 August

India: Axis bank to continue with conservative policy on loan provisions in light of coronavirus

[Economic Times](#), 18 August

Kenya: Co-op Bank half-year profit drops 3.6% on coronavirus-linked bad debts

[Business Daily Africa](#), 13 August

USA: Nine individuals charged in \$24m coronavirus relief loans fraud

[Law360](#) reported on 6 August that Federal prosecutors had announced charges against nine individuals for allegedly defrauding a coronavirus relief program (Paycheck Protection Program). Prosecutors stated that the group behind the scam used falsified documents, including bank statements, to apply for lending worth over \$24m with a number of banks. More than \$17m worth of loans were eventually approved and paid out - however the affected banks were not named.

ING profits plunge almost 80% on virus-induced loan defaults

[Financial Times](#) (paywall), 6 August

UniCredit's profits slump as coronavirus restrictions weigh on fees

[Financial Times](#) (paywall), 6 August

Allied Irish Banks takes €1.2bn coronavirus loan loss charge

[Financial Times](#) (paywall), 6 August

Coronavirus crisis provides an opportunity for money-laundering

On 5 Aug, [L'Echo](#) reported that the Belgian anti-money laundering unit expects criminal enterprises to take advantage of the coronavirus pandemic to launder dirty money. Spokesperson for the unit, Kris Meskens, stated that the economic pressures faced by companies could make them more vulnerable to money launderers as they are in desperate need for cash to keep businesses afloat. One example of a technique being used is the "compensation" mechanism, where criminals will pass illegally obtained cash through the business which is then compensated via bank transfers.

UK: Metro Bank falls to £241m loss after sharp rise in loan provisions

[Financial Times](#) (paywall), 5 August



Insurers report mixed results from coronavirus

The coronavirus pandemic presents a broad range of impacts on insurers reported the [Wall Street Journal](#) (paywall) on 4 August. For example, Allstate Corp. had seen profits rise due to fewer motor vehicle accidents, while Prudential Financial had suffered as a result of low interest rates.

Itaú Unibanco announces 40% drop in recurring profit in Q2 20

[Investimentos e Notícias](#), 4 August

Caixa blocks emergency aid to 1.3m suspicious individuals

According to [A Voz da Serra](#) on 3 August, Caixa Econômica Federal has been requested by the Brazilian Ministry of Citizenship to block accounts linked to 1.3m Individual Taxpayer Registration Numbers on the basis of suspected fraud. These accounts have been opened for the purposes of emergency aid payments and, in many cases, the blocks may be due to missing documentation.

Financial stability & regulatory

Fraudulent activity brought on by pandemic related initiatives may result in enforcement actions later in 2020 and into 2021

[Regulation Asia](#), 20 August

ASIC provides new guidance for lenders on when loan deferrals end

The [Australian Securities and Investments Commission](#) published on 13 August a set of expectations for lenders as loan repayment deferrals begin to come to an end, adding to previous guidance. This includes “how lenders should approach consumers who cannot resume repayments on their mortgages”. ASIC also stated that they are working closely with the Australian Prudential Regulation Authority (APRA) in this regard.



Bank of Russia decides to extend relaxation of some regulatory measures

On 10 August, the [Central Bank of Russia](#) announced that measures implemented to ease the effects of the pandemic would be extended beyond the original end date of 30 September 2020, while others would be terminated. This decision was made in light of the economic downturn in Russia, with the view that gradually lifting measures is necessary for long term sustainability of the financial sector. Also included in this statement was an announcement that new countercyclical measures would be implemented in order to support the economy.

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Impact on operations

Monzo: coronavirus casts 'significant doubt' on ability to continue operating

UK challenger bank Monzo reports a loss of £113.8m, according to its annual report. Social distancing and travel restrictions as well as delay in the launch of new products have greatly affected the bank's revenues, [Finextra](#) reports on 30 July.

UK Standard Chartered (StanChar) set to commence a new round of job cuts after 33 per cent drop in profits for the first half of 2020

The bank joins HSBC and Deutsche Bank in restarting a redundancy programme that had

previously been paused due to the coronavirus pandemic, [Finextra](#) reports on 30 July.

Citigroup shores up for bad loans with \$8bn provisions

[Financial Times](#), (paywall)

NatWest more than doubles loan loss provisions on gloomy UK outlook

[Financial Times](#), (paywall)

Lloyds sets aside another £2.4bn to cover potential bad loans

[Financial Times](#), (paywall)

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BBVA incurs losses of €1,157m in the first half of 2020

europapress.es, 30 July

Deutsche Bank reports a loss of €120m in first half of 2020

[Expansión](https://expansion.com), 29 July

Cielo, controlled by Bradesco and Banco do Brasil, reports unprecedented net loss of BRL 75.2m

[Istoé](https://istoé.globo.com), 28 July

Millennium bcp reports 55.3 percent drop in profits in first half of 2020 compared to the same period in 2019

[Jornal Economico](https://jornaleconomico.com), 28 July

ECB asks banks not to pay dividends until January 2021

The European Central Bank (ECB) recommends banks in the euro zone not to pay dividends or buy back own shares until January 2021.

[Le Monde](https://lemonde.fr), 28 July 2020

Airtel Money in Kenya loses 91.9 per cent of subscribers in one year

[Business Daily Africa](https://businessdailyafrica.com), 15 July

Pandemic preparations cut JPMorgan's second quarter earnings in half

The bank revealed that it had earned \$4.7bn during the months of April, May and June, just under half of what it earned during the same period a year ago, as it diverted billions of dollars to a reserve fund in order to prepare for a potential economic shock, [the New York Times](https://www.nytimes.com) reports on 14 July.

National Bank of Malawi temporarily closes Chichiri branch for fourteen days following coronavirus cases among staff

[Nyasa Times](https://nyasatimes.com), 14 July

Nairobi: Stima Sacco restructures Sh450m of customer loans

[Business Daily Africa](https://businessdailyafrica.com), 13 July

Guardian bank temporarily closes one of its Nairobi branches following reported cases of coronavirus among members of staff

[The Standard](https://thestandard.co.ke), 8 July



Actions to help clients

Stanbic Bank Zimbabwe introduces anti-coronavirus app

The bank launched SlydePay, which allows account holders to pay bills and make instore purchases on their phone using QR code scanning technology so that customers do not have to use their bank cards, [All Africa](#) reports on 20 July.

Brazilian Development Bank BNDES approves a BRL12bn debt relief as temporary measure to aid businesses during the pandemic

The measure is being granted for a period of up to six months to more than 28.5 thousand companies, in approximately 77.7 thousand financing contracts. Around 2.5 million people will benefit from this measure, [brazil247.com](#) reports on 19 July.

Heightened risk

Maryland governor announces \$501m unemployment insurance fraud case

Maryland uncovered a massive criminal enterprise involving identity theft and more than 47,500 fraudulent unemployment insurance claims in the state adding up to more than \$501m. Employees at the state's unemployment insurance website detected an unusual increase in out-of-state federal pandemic unemployment assistance claims, [Insurance Journal](#) reports on 17 July.

UAE: Insurance brokers say they are hurting from the impact of coronavirus

Digital operations and online sales by insurance companies have affected insurance broking business, especially in individual motor and health insurance, [Middle East Insurance Review](#) reports on 13 July.

ABN Amro sees surge in suspicious transactions

The bank has come across thousands of transactions in recent months considered to be suspicious. For instance, entrepreneurs who had not been active for a long time suddenly applied for emergency support while others had their salaries raised significantly in March to get more wage subsidies. Cases of CEO fraud have also increased, [beveiligingnieuws.nl](#) reports on 29 June.



Financial stability & regulatory

The Financial Conduct Authority (FCA) takes Europe's largest insurers to court to establish whether they should pay out pandemic-related claims

Hiscox Ltd., RSA Insurance Group Plc, Zurich Insurance Group AG and five other companies will represent the industry at the eight-day trial. The FCA's lawyer, Leigh-Ann Mulcahy, disputed attempts by the insurers to portray companies shutting during lockdown as a voluntary decision, [Insurance Journal](#) reports on 20 July.

NBA Netherlands demands that banks explain their half year reports in more detail

The Banking Sector Committee (SCB) of the NBA has put guidelines together for this purpose, [accountancyvanmorgen.nl](#) reports on 13 July.

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Actions to help clients

Credit fintech grow 120 percent in Brazil as small and medium-sized firms seek credit to face economic crisis

[Cointelegraph](#), 29 June

Heightened risk

Brazilian regulator Febraban reports a 70 percent rise in bank fraud due to increase of digital banking during the pandemic

[Cointelegraph](#), 29 June

Caixa, Brazil, loses BRL60m through fraud in its coronavirus emergency fund

According to [Estado de Minas](#) on 27 June, flaws in digital savings and the "Caixa Tem" application, among other loopholes, have allowed criminals to access beneficiaries' accounts and use money that does not belong to them. The institution detected that some accounts were being accessed inappropriately, by people who were not the beneficiaries of the aid. Caixa has reimbursed the beneficiaries who were victims of the fraud but will have to bear the loss. Caixa is also accumulating losses due to a processing error that led the bank to double the amount of the aid for some beneficiaries. Even those who indicated an account at another bank to receive the benefit received the second instalment in a digital savings created automatically by Caixa.

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Financial stability & regulatory

Brazilian government approves temporary measure to protect banks against FX volatility during the pandemic

[Poliarquia](#), 30 June

Half of Ugandan banks fail pandemic liquidity test

A stress test conducted on Uganda's 25 banks showed most would not have survived the cash crunch since loan interest income accounts for 60 percent of their revenue. Results of the stress test informed the decision to spread customer loan restructuring over a 12-month period instead of offering an outright repayment holiday, [allAfrica](#) reports on 29 June.

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Impact on operations

Pandemic delays rollout of new payment system in Tanzania

The Bank of Tanzania (BoT) has delayed the launch of the Tanzania Instant Payment System (TIPS) until the end of the year due to the coronavirus crisis. Work on the project first began in June 2018 and the system was due to be rolled out by June of this year. BoT director of the National Payment System, Bernard Dadi, stated that the delay was due to a need to dissolve the team and recruit a new one, although did not comment as to why, according to [The Citizen](#) on 19 June.

Actions to help clients

Ugandan banks restructure UGX2.08 trn worth of loans

According to [allAfrica](#) on 22 June, at the end of April (the first month of restructuring) 99.6% of applications made to Ugandan banks for loan restructuring had been approved. Exceptional permission was granted to banks on 6 April to restructure corporate and personal loans, including a moratorium on loan repayment for customers affected by the pandemic. A maximum of 2 loan restructurings will be permitted in a 12-month period for any one credit facility.

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Heightened risk

UK private medical insurers under pressure to refund payments

Despite restrictions on non-critical private medical care throughout the pandemic, customers have continued to pay insurance premiums averaging £600 a year, reported the [Financial Times](#) on 23 June. The reduction in capacity for private medical care is partly due to the NHS requisitioning capacity to help combat the effects of the pandemic. While most insurers have not suspended payments or offered rebates, many have committed to reviewing the issue once the impact of the crisis is clearer. The Association of British Insurers has said that private medical insurance will prove particularly valuable later in the year as NHS waitlists grow due to delays caused by the pandemic.

Saga refunds £44m to customers due to coronavirus travel disruption

According to [Insurance Journal](#) on 22 June, UK based travel insurer Saga has refunded £44m of advance payments to customers affected by the pandemic. The company has cancelled all departures up to and including August, but expects travel to resume later in the year.



Financial stability & regulatory

African insurers face higher capital buffer in view of coronavirus

The Insurance Regulatory Authority said it will release details of firms yet to comply with the risk-based capital requirements ahead of the July 1 deadline. Failure to meet the minimum capital required will see the regulator issue a 30-day remedial notice after which the company's licence will be withdrawn, [Business Daily](#) reports on 24 June.

Central Bank of Seychelles cuts interest rate to 3% due to pandemic

[Seychelles News Agency](#), 23 June

US federal and state regulatory agencies issue examiner guidance for assessing safety and soundness considering the effect of the coronavirus pandemic on financial institutions

[Federal Reserve](#), 23 June

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Update: 17 June 2020

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Impact on operations

HSBC resumes redundancy plans put on hold by coronavirus pandemic cutting 35,000 jobs worldwide

The bank postponed job cuts in March due to the pandemic and is now to resume the restructuring programme, [freemalaysiatoday.com](#) reports on 17 June.

Kenyan insurers have paid \$1mn in coronavirus related claims since mid-March

[Agence Ecofin](#), 16 June

The New York Department of Financial Services (DFS) extends coronavirus

regulatory relief for New York- regulated mortgage servicers

[The DFS](#) announced on 15 June that it would grant New York-regulated mortgage servicers a 60-day extension, from 15 June to 14 August.

Surge of Artificial Intelligence (AI) in the financial sector

According to [Finextra](#) on 12 June, AI in banking will become more prominent due to the coronavirus pandemic. AI has already revolutionised the sector in terms of detection and prevention of fraud, risk management, customer service automation with the use of AI chatbots, and security.

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Actions to help clients

UniCredit supports SMEs and mid-caps across nine Central and Eastern Europe countries leveraging on European Investment Fund (EIF) coronavirus measures under InnovFin guarantee

[UniCredit](#) announced on 16 June that it had entered into a coronavirus support package offered by the EIF allowing the bank to provide working capital loans to CEE SMEs and mid-caps guaranteed by the EIF at a rate of 80% (previously 50%) under simplified eligibility criteria. The new measures extend the application of the InnovFin guarantee also to large mid-caps, widening the range of eligible companies in addition to already covered small and medium-sized enterprises (SMEs) and small mid-caps. These new measures allow UniCredit to provide extensive support for companies in Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Serbia, Slovakia and Slovenia.

Heightened risk

US bank profits plunge 70% on coronavirus loss provisioning

[Reuters](#), 16 June

Brazil expected to rank 171 out of a list of 192 countries in economic recovery after the coronavirus crisis

[Poder360](#), 16 June

The deficit in health insurance could reach €31bn in 2020

[Le Monde](#), 16 June

South African insurer Santam sued for refusal to pay out for damage suffered as a result of coronavirus

A company that operates a tourism-related business has filed a complaint against the insurer Santam for refusing to pay out for damages caused by the coronavirus pandemic, [Agence Ecofin](#) reported on 16 June.



The US Securities and Exchange Commission (SEC) charges microcap fraud scheme participants attempting to capitalize on the coronavirus pandemic

[The SEC](#) announced on 11 June that it had frozen assets of five individuals and six offshore companies for an alleged fraudulent scheme that generated more than \$25mn from illegal sales of multiple microcap companies' stock. These illegal stock sales were often boosted by promotional campaigns that, in some instances, included false and misleading information designed to fraudulently capitalize on the coronavirus pandemic. According to Paul Levenson, Director of the SEC's Boston Regional Office "Microcap stocks can be particularly vulnerable to manipulative schemes, and investors should be alert to the heightened risks that exist during this national emergency."

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Impact on operations

Use of digital channels on the rise in Belgium

[RTBF](#), 8 June

Ugandan insurance industry could see 50% decline in premiums due to coronavirus

According to a report by the Insurance Regulatory Authority of Uganda, the impact of coronavirus is likely to be felt across the insurance industry in the second quarter of 2020 reported [allAfrica](#) on 4 June. Chief executive Mr Ibrahim Kaddunabbi Lubega stated that "Preliminary indicators point to a decline in performance in the second

quarter of up to about 50% compared to the similar period in 2019. How worse or well it gets will depend on the direction the pandemic takes". Given that the total gross written premiums in the second quarter of 2019 amounted to UGX 495.9bn, this could mean losses of up to UGX 248bn. This decline can be attributed to reduced uptake of new policies, and an increase in lapsed policies, particularly across the hospitality and travel industries.

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Actions to help clients

Spanish banks begin to reopen branches

Following the devastating effects of the pandemic, Spain begins to return to a new normal, which includes the reopening of bank branches. On 8 June [Cincodias](#) reported that Santander and BBVA would start to reopen their doors over the next two weeks. BBVA plans to open 90% of its offices this week, with 50% of the workforce returning to the office. Up until this point the bank had been operating only 30% of its branches, the lowest of any Spanish bank. Santander intends to reopen 75% of its branches this week, with 75% of the workforce returning to their usual place of employment (35% of those in central functions).

CBA redeploys 500 branch staff to call centres and online teams

The Commonwealth Bank of Australia (CBA) has temporarily deployed 500 branch staff to its call centres and online teams in order to facilitate more tailored support for customers affected by the pandemic. CBA's initial relief measures included automatic repayment holidays on loans and mortgages, and fee waivers. The bank has since seen a decrease in the demand for repayment deferrals, and a number of customers making contact to resume their payments. As such, the Australian lender aims to provide support more tailored to customers' individual needs going forward reported [Finextra](#) on 8 June.

Spanish financial institutions grant 788,000 debt moratoriums worth almost €33bn in light of coronavirus

[Expansión](#), 4 June

UniCredit has disbursed over €1bn in state-backed loans to 47,000 Italian SMEs

[UniCredit](#), 4 June

UK regulator refreshes guidance on support to be given to struggling mortgage customers

The [Financial Conduct Authority](#) (FCA) issued a press release on 2 June confirming the measures that should be taken by lenders to support customers struggling with their mortgage repayments due to the coronavirus crisis. The measures include payment holidays for those who have yet to request one, options to extend existing payment holidays by up to 3 months, and a ban on lender repossessions of homes. The guidance also requires lenders to proactively engage with those customers experiencing financial difficulties, and those coming to an end of their existing repayment holidays.



Heightened risk

Paragon Banking Group reports 28% slump in half-year profit due to coronavirus

[Reuters](#), 10 June

Australian banks doubled high leverage mortgages as pandemic hit

Figures released by the Australian Prudential Regulation Authority (APRA) show that new lending to borrowers with deposits of 5% or less of the value of their homes increased by AUD1.8bn in the first quarter of the year - a jump of 52% when compared with the same period in 2019. Although these "highly leveraged mortgages" only make up a small fraction of the total market (AUD1.73trn), economic decline leading to an expected 10% drop in house prices could result in these loans exceeding the value of those properties, according to [Reuters](#) on 9 June.

Portugal's Novo Banco sees a 92.3% increase in losses in the first three months of the year

[sol.sapo.pt](#), 5 June

Increase in German consumer complaints regarding interest during payment deferrals

According to [DGAP-Medientreff](#) on 5 June, consumer rights bodies in Germany have seen an uptick in complaints about payment deferrals and have advised that consumers may not benefit over the long term as

interest continues to be charged. Dorothea Mohn from the Federal Consumer Association stated "There are more and more complaints from bank customers. They complain that they have to continue to pay interest even though they have currently suspended the repayment of their loan in accordance with the credit moratorium".

UAE insurers face pressures due to medical claims

Despite most medical policies in the UAE excluding pandemics, the Dubai Health Authority (DHA) is requiring local insurers to pay for claims arising from the pandemic. Following directives from the Ministry of Health and Protection, all coronavirus cases (including suspected) are to be treated as emergencies and thus all patients with insurance will have their claims honoured. Insurers are expected to absorb these losses, but if the number of cases continues to rise this may negatively affect insurers' profitability according to [Middle East Insurance Review](#) on 5 June.



Financial stability & regulatory

Kenyan banks request SME coronavirus lending fund

Several Kenyan lenders have asked the Central Bank of Kenya (CBK) to create a fund to support lending to SMEs in sectors adversely affected by the pandemic according to the [Standard](#) on 9 June. Data from CBK has previously indicated that non-performing loans have grown to 13.1%. CEO of Stanbic Kenya, Charles Mudiwa said that CBK's policies up to this point have been helpful, and they have utilised 88% of the 1% allocated Cash Reserve Ratio, but that this would not be enough since the economic effects of the pandemic are expected to last longer than anticipated. "We are grateful for CBK's intervention, but we would like to ask the regulator to expand the liquidity base for the financial sector. We are talking about some sort of a guarantee fund for loans that would enable us lend more and grow."

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Impact on operations

Insurers rule out corona treatment payments to private hospitals

The Insurance Regulatory Authority (IRA) in Kenya, told the Senate that insurance companies will not pay for treatment in private hospitals where bills range from Sh600,000 to Sh1.2m. Instead, they will cover expenses incurred in public hospitals where bills for treatment of the infectious virus are estimated at Sh135,000, [Business Daily Africa](#) reports on 4 June.

The Association of Kenya Insurers (AKI) said that medical insurers have paid out claims worth over Sh12m

[Standardmedia](#), 4 June

Zurich-based insurance company Chubb expects the pandemic to cost the industry \$100bn

[assinews.it](#), 3 June

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Actions to help clients

Consumer Financial Protection Bureau takes action to help consumers receive relief from credit card issuers

The US [Consumer Finance Protection Bureau](#) announced on 3 July that it was providing temporary and targeted flexibility for credit card issuers regarding electronic provision of certain disclosures required to be in writing during the pandemic.

Heightened risk

Rise in stress and anxiety among locked-down staff could open up banks to range of risks

[Risk.net](#), 2 June

OCC head says prolonged lockdowns are risking banks' health

[The US Options Clearing Corporation \(OCC\)](#) said on 1 June that lengthy stay-at-home orders could pose considerable risks to the health and stability of banks.

Acting Comptroller of the Currency Brian Brooks pointed to the impact of enforced lockdowns on small business revenue, commercial real estate loans and risks of property damage as governors and mayors make decisions about how and when to lift lockdown orders.

Royal Bank of Canada settles claim it exploited coronavirus crisis

[Law360](#) reports on 1 June that real estate investment trust AG Mortgage Investment Trust has agreed to drop its lawsuit accusing the Royal Bank of Canada of using the pandemic as an opportunity to illegally seize and sell off the trust's assets at fire-sale prices. The complaint alleged that RBC is one of many banks that has applied "opportunistic and unfounded" markdowns on mortgage-based assets in an attempt to trigger widespread margin calls on entities such as AG Investment Trust.

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Impact on operations

Alfa-Bank to allow remote-working until the end of 2020

Russian commercial bank Alfa-Bank will allow employees to work from home until the end of 2020 according to [Banki.ru](#) on 29 May. Vladimir Verkhoshinsky, head of the bank, announced this decision via video message to the bank's workforce. In a later statement, Verkhoshinsky said that projects were progressing faster than expected, and given the smooth transition to remote-working they would be happy to continue with this model while he assess the options going forward.

Kenyan insurance industry pays out pandemic claims worth KES108m

Coronavirus-related claims worth over KES108m have been paid out by 15 Kenyan insurers. Executive director of the Association of Kenya Insurers (AKI), Tom Gichuhi, has said that the claims are expected to increase as the pandemic persists, according to [Standard](#) on 31 May. The Senate Ad-hoc Committee on Covid-19 has been told that insurance penetration currently at 2.47% is likely to drop further, as there has been an increase in lapsed policies, premium non-payments, and lowered demand for new policies.

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Impact on operations

AXA to pay business interruption claims to restaurants in France

On 26 May, [Insurance Journal](#) reported that AXA had announced that it would pay out several business interruption claims from restaurant owners in France. This follows a ruling against the firm in a court case brought by the owner of four Paris restaurants, requiring the firm to pay out for two months of revenue losses due to the pandemic. The ruling has attracted global attention, with trade bodies in other jurisdictions considering legal action against insurers. In a move to pre-empt further legal action, a number of French insurers announced plans to compensate policy holders whose contracts were ambiguously worded.

Brazilian central bank tells financial institutions not to share dividends with shareholders until the end of 2020

[Istoé.com](#), 29 May

Banks step in to end African medical tourism

Since the closure of borders due to the pandemic, wealthy Africans have been unable to travel for specialised medical care. This has contributed to a renewed focus on healthcare infrastructure from international development banks, according to [Euromoney](#) on 29 May.

International banks also plan to maintain their commitment to funding new infrastructure, with Deutsche Bank for example financing two new regional hospitals and five new medical units.

Actions to help clients

Consumer rights body surveys household financial impact in Italy

On 1 June, [La Repubblica](#) reported on a survey carried out by Italian consumer association Altroconsumo, regarding the impact of coronavirus on household finances. As part of the survey results it was revealed that 26% of the sample (of 1000 people) had mortgage repayment holidays approved, while 27% had been denied, with 47% still waiting for a response. The results of the survey with regards to government-backed loans of up to €25,000 show that only 18% of applications had been approved, with 38% rejected and 44% still being evaluated.



CBA allows temporary switch to interest-only borrowing to avoid bad loans down the line

The Commonwealth Bank of Australia (CBA) will soon start to engage with more than 450,000 mortgage customers who took advantage of payment holidays throughout the coronavirus crisis. In an attempt to soften the potential impact of an economic downturn, the bank will allow affected customers to temporarily switch to interest only mortgages for a period of one year. Lenders are now being given more leeway, where previously interest-only loans had been under the microscope from the regulator, reports [The Sydney Morning Herald](#) on 1 June.

Furloughed Italian employees can apply for cash advance from banks

Furloughed employees awaiting payment from the Italian National Social Security Institution, Istituto Nazionale della Previdenza Sociale (INPS), can now apply directly to their banks for an advance on funds due to them. This follows an agreement signed between trade unions and the Italian Banking Association according to [Secolo Trentino](#) on 31 May.

Heightened risk

New York Stock Exchange partially opens trading floor

On 28 May, [Insurance Journal](#) reported that the NYSE had partially reopened its trading floor, following two months of closure due to the coronavirus pandemic. Preventative measures included reducing floor capacity by 75% and Plexiglass separators between trading pods. Staff were instructed to avoid public transportation, screened for symptoms on entry to the building, and were required to sign liability waivers.



Financial stability & regulatory

European Central Bank may strengthen coronavirus emergency program on Thursday

[La Libre](#), 1 May

British watchdog enlists eight insurers for pandemic test case

The UK Financial Conduct Authority (FCA) has selected 17 examples of business interruption insurance policies from 16 insurers as a test case to see clarity from the courts on whether those policies should cover pandemic claims. Eight of these insurers, including Hiscox, RSA, and QBE have been asked to participate in the court case, having entered a framework agreement governing the process and timetable. The FCA has announced that it plans to release a list of insurers to which the test case would apply in early July, prior to the court hearing which will take place at the end of July according to [Reuters](#) on 1 June.

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Impact on operations

Canadian National Bank profit drops 32% as loan loss provisions soar

[CBC](#), 27 May

Canadian Scotiabank profit falls 40% as loan loss provisions more than double amid coronavirus

[CBC](#), 26 May

Actions to help clients

Russian banks approve 23,000 interest-free loans to support employment

[TASS](#) reports on 27 May that banks have approved more than 23,000 loans worth

RUB 58bn (\$817m), supporting 800,000 jobs in the affected sectors.

Italian private insurance companies offer discounts and promotions on motor liability insurance policies

[automotorinews.it](#), 26 May

Brazilian banks postpone overdraft charges with Senate pressure

[Otempo](#) reports on 25 May that as of 1 June banks were to charge a fee on the overdraft limit offered to all their customers. Amid pressure from the Senate to further reduce the interest charged and in view of the current pandemic, which leads more customers to use emergency credit, the large financial institutions decided to postpone the charge.

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CFTC issues coronavirus Customer Advisory on commodity exchange-traded products (ETPs) and funds

On 22 May, [the US Commodity Futures Trading Commission \(CFTC\)](#) issued a Customer Advisory informing the public about the unique risks associated with certain trading vehicles that use futures contracts or other commodity interests as they make investment decisions during the coronavirus pandemic. The CFTC observed that recent market volatility due the pandemic has prompted many investors to purchase shares of trading vehicles that use futures contracts or other commodity interests. These trading vehicles may be organized as ETPs or mutual funds, but that does not necessarily mean they will behave like traditional exchange-traded funds (ETFs) or mutual funds that invest in stocks, bonds or other asset classes.

Heightened risk

Brazilian Real at record low against US dollar following a drop of 31.2 percent

[poder360.com](#), 27 May

AXA insurance brought to court by a French restaurateur, who gets coverage for the economic damage caused by the pandemic

[dissapore.com](#), 26 May

French banks are granting more credit, the risk of non-payment remains high

[La Croix](#), 24 May



Financial stability & regulatory

Bank of Spain prepares proposal to create European Recovery Fund

[The Bank of Spain](#) said on 26 May that "the European Union (EU) requires rapid, lasting and sufficient action in the face of the health and economic crisis caused by coronavirus" "the size of the crisis has highlighted the lack of key instruments of common economic policy."

Foreign investors flee Sri Lankan bank stocks amid dividend ban

The Central Bank of Sri Lanka (CBSL) in early May prohibited banks from declaring cash dividends for FY20 and foreign banks from repatriating profits until year end to help them maintain appropriate levels of liquidity and manage cash flows prudently amid the coronavirus pandemic.

The move prompted heavy selling in bank stocks by foreigners in mid-May, with Commercial Bank of Ceylon seeing particularly strong selling pressure, [Regulation Asia](#) reports on 26 May.

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Impact on operations

HSBC prepares for new cuts

[Wall Street Italia](#) reports on 26 May that according to British banking insiders, HSBC is set to carry out a massive restructuring of its business areas. The bank may be considering the future of its business in the United States and focusing its efforts on the Asian market.

Egyptian banks to resume pre-coronavirus operating hours from 31 May after two months of restrictions

[AgenziaNova.com](#), 25 May

Business interruption insurance may become more commonplace in Nigeria

As with many other jurisdictions, Nigeria has seen a wave of businesses and organisations contacting their insurers to claim on their business interruption insurance. [allAfrica](#) reports on 25 May that many businesses in Nigeria failed to opt for business interruption insurance and the market for this type of insurance is much smaller. As a result, a small number of insurers have been hard hit by the coronavirus pandemic as the number of claims rises. However, Mr. Ayo Akande of Scib Insurance Brokers and Non-Executive Director of Allianz Nigeria said that even for those who took out cover and expect to be able to claim, pandemic is generally only covered by life insurance policies, and there are usually exclusions for pandemic in business interruption insurance.

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Ugandan commercial banks record UGX 685bn in non-performing loans

[allAfrica](#), 22 May

Actions to help clients

Bank of England urges leniency on mortgage holidays

The Bank of England (BoE) has asked that lenders be lenient when assessing whether to continue to give mortgage holidays. [Financial News](#) (paywall) reported on 22 May that the BoE's Prudential Regulation Authority has instructed lenders to be fair and consistent when re-evaluating whether the coronavirus crisis is still putting pressure on customers' finances.

Tanzanian lender NMB Bank introduces coronavirus relief measures for customers, including payment holidays and loan term extensions

[allAfrica](#), 22 May

UK mortgage payment holiday extended by three months

A government-backed mortgage payment holiday scheme originally launched in March has been extended by three months. More than 1.8 million homeowners have already taken advantage of this program, which was due to expire at the end of June. The Financial Conduct Authority (FCA) has also set out guidelines for lenders around the

different options they should offer customers such as reduced payments, temporarily switching to an interest only mortgage, or extending their mortgage holiday. According to the [Guardian](#) on 22 May, the Treasury also announced that they are extending a ban on home repossessions until 31 October.

Honduran banks to give loans to small businesses without mortgaging assets

On 21 May, [La Prensa](#) reported that the Central Bank of Honduras and the Honduran Bank for Production and Housing had launched a scheme designed to benefit micro, small, and medium-sized enterprises (MSMEs) who are struggling due to the coronavirus crisis. The scheme will be funded by the Central American Bank for Economic Integration who have provided a loan of \$200m to the Government of Honduras. Both official bodies have also announced that a second fund will follow, intended to support larger-scale companies that purchase products and services from entrepreneurs.



Financial stability & regulatory

Chinese banks under pressure as bad loans grow amid impact from coronavirus

[Business Standard](#) reports on 26 May that the Chinese Banking and Insurance Regulatory Commission (CBIRC) have issued a statement that the level of bad loans has reached a high point in light of the pandemic, and that "Asset quality at smaller banks will also be under pressure this year, and credit risks in some institutions will continue to accumulate". Smaller lenders with fewer capital reserves are more vulnerable to this economic slowdown.

EU watchdog hopeful most banks can absorb €380bn pandemic hit

The European Banking Authority (EBA) has said that it has carried out a "sensitivity analysis" based on the results of the 2018 stress test and has concluded that most banks should be able to absorb the losses, expected to reach up to €380bn. According to the [Financial Times](#) on 25 May, chairman of the EBA José Manuel Campa "The starting position of the banks [was] very

good at the end of last year [and] the measures put in place since the last crisis have held up." The EBA also warned that its analysis was only for credit risk, and there could be "additional losses from market, counterparty and operational risk".

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Impact on operations

Lebanon insurance companies to cover costs related to coronavirus

[L'Orient-Le Jour](#) reports on 21 May that the Minister of Economy has decided to impose on various public and private insurance companies the cover of medical costs linked to epidemics, in particular that of coronavirus.

Switzerland: additional funding for unemployment insurance and gradual abandonment of measures

[zonebourse.com](#) reports on 20 May that the Swiss Federal Council decided to set up additional funding of CHF 14.2b for unemployment insurance and to gradually abandon the measures in this area taken in conjunction with coronavirus. The abandonment of these measures will occur at the rate of the gradual recovery of the economy.

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Singapore: financial institutions will be allowed to reopen for business on 2 June

[channelweasia.com](https://www.channelweasia.com) reports on 19 May that financial institutions that offer advice on banking, insurance and investment products, as well as private banks offering wealth management advice will also be allowed to conduct in-person meetings with customers if they have approval from the Monetary Authority of Singapore (MAS), the regulator said.

Actions to help clients

The Indian Bank Association (IBA) seeks the easing of regulatory norms

[business-standard.com](https://www.business-standard.com) reports on 21 May that lenders have sought the easing of non-performing assets (NPA) norms, one-time restructuring, and extension of the moratorium until the end of August for borrowers affected by the coronavirus situation.

Tanzania: Stanbic provides debt relief for 265 borrowers

allafrica.com reports on 20 May that Stanbic Bank Tanzania has provided debt payment holiday for its 265 clients with exposure of over TZS 37bn to cushion the coronavirus impact on the economy.

The holiday for between three and six months began last month for the tourism sector and has now expanded to the energy, transport and small and medium-sized enterprises (SME) sectors.

Martinique: Insurer Assurance Maladie helps companies finance their protective equipment

[la1ere.francetvinfo.fr](https://www.la1ere.francetvinfo.fr) reports on 20 May that since 18 May, Assurance Maladie offers the subsidy "Covid Prevention". The aim is to help companies with less than 50 employees and the self-employed to finance equipment for protection against the coronavirus, acquired by the companies between 14 March and 31 July.

Zurich Connect extends auto insurance expiration by 30 days in Italy

[lavocedivenezia.it](https://www.lavocedivenezia.it) reports on 20 May that the insurer has decided to extend the extension on car insurance policies to 30 days, the maximum applicable term. The extension of the payment increases up to 60 days for those who reside in the areas most affected by the virus.

Heightened risk

Nigerian insurance sector sees an upsurge in health, travel and business claims

allafrica.com, 20 May



Financial Action Task-Force (FATF) warns of money laundering and terrorist financing risks

Cybercrime, fraud, fundraising for fake non-profit organizations, scams related to counterfeit medical devices are on the rise. National authorities and international bodies have highlighted these types of crimes, including scams, investment and product schemes, as well as insider trading in relation to coronavirus, [tidona.com](https://www.tidona.com) reports on 20 May.

The Inter-African Conference on Insurance Markets (CIMA) disapproves of Cameroonian insurers' refusal to compensate for coronavirus claims

Claims resulting from coronavirus should not be subject to any exclusion not provided for in the contracts, [Agence Ecofin](https://www.agence-ecofin.com) reports on 20 May.

Coronavirus deflecting attention from other big threats

Peter Giger, group chief risk officer at Zurich Insurance says "we just experienced the realization of a risk that we didn't have on our radar and didn't manage properly" and that "the risk is that everybody focuses on mitigation and future prevention of this very risk and starting to ignore all other risks" such as climate change, [S&P Global](https://www.spglobal.com) reports on 19 May.

2 US insurers see \$48b in unrealised gains due to drop in value of equities

[S&P Global](https://www.spglobal.com), 15 May

UK's Financial Conduct Authority (FCA) test case to clarify uncertainty over whether small businesses can claim compensation for disruption caused by the coronavirus pandemic would be legally binding

[Reuters](https://www.reuters.com), 15 May



Financial stability & regulatory

Tanzanian banks urged to support agribusiness recovery

Banks have been requested to provide liquidity to enable the struggling agribusinesses to recover from the impact of coronavirus, allafrica.com reports on 20 May.

US regulators temporarily change the supplementary leverage ratio to increase bank's ability to support credit to households and businesses

[Office of the Comptroller of the Currency](#) (OCC), 15 May

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Impact on operations

Monzo faces fundraising 40% valuation drop

British digital bank Monzo is planning to raise £70-80m to help tackle the difficulties of the pandemic according to the [Financial Times](#) on 15 May. The bank is expected to close a deal by the end of the month that would value it at £1.25 billion, down from its £2 billion valuation last June, with the majority of the new funding coming from existing investors.

Despite the pressures from the pandemic the bank will continue with its plans for expansion such as applying for a US banking licence and developing a business banking service in the UK.

Insurers obliged to pay out for coronavirus claims

A report published by the Ombudsman of private insurance in Switzerland has concluded that insurers are responsible for paying out claims for damages due to the coronavirus pandemic. Hospitality sector association GastroSuisse which has 20,000 members has called out some insurers for avoiding their obligations to pay out. Italian insurer Generali has stated that the conclusion in the report does not apply to a number of their policies and that they are in close contact with their policyholders, carefully reviewing any cases submitted to the Ombudsman reported [Ticino News](#) on 15 May.

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Liberty insurance group braces for challenging 2020

South African insurance group Liberty, which is partly owned by Standard Bank, is preparing for a difficult second half of 2020 reported [fin24.com](https://www.fin24.com) on 14 May. The group is concerned that insurance and investments will no longer be a priority for customers while they are experiencing financial pressures due to the coronavirus crisis. In a statement the insurer added "We also expect increased pressure on new business volumes and margins given the extended lockdown period".

Bank of America to issue \$1bn "virus bond"

[American Banker](https://www.americanbanker.com) reported on 14 May that Bank of America would price a \$1 billion bond issue to fund coronavirus relief efforts, the first sale from a U.S. financial institution that explicitly links all proceeds to tackling the virus according to Bloomberg. Companies in China, South Korea, and Paraguay have previously issued "pandemic bonds", and in the US Pfizer Inc. and USAA Capital Corp have sold sustainability bonds to fund social and environmental projects, some of which include coronavirus relief.

Actions to help clients

Banks under fire from customers awaiting government-backed loan decisions

[BBC News](https://www.bbc.com/news) reported on 16 May that they had seen "a string of complaints about leading banks, including Santander, HSBC and Barclays, from customers who have been unable to get any money." These complaints come from customers who have applied for the UK government-backed Bounce Back Loan Scheme. The BBC reports that while hundreds of thousands of loans have been approved, some struggling customers have experienced waiting times of over two weeks for a decision or encounter technical issues when applying.

Heightened risk

Lenders allow digital signatures on loan applications

According to [Australian Broker](https://www.australianbroker.com.au) on 18 May, ING has become the latest bank to allow customers to sign home loan applications electronically, using platforms such as DocuSign. This is in addition to a recent decision to allow brokers to identify applicants via digital video technology.



ECB warn against IT and cyber risk

The European Central Bank (ECB) has issued a reminder to banks that they may be particularly vulnerable to IT and cyber risks during the coronavirus crisis. Due to the pandemic, institutions are heavily relying on IT systems while branches are closed and movements are restricted, which increases their exposure to cyberattacks and IT infrastructure failures. The ECB's latest analysis "shows that many banks' critical banking services still depend on end-of-life systems, and that the use of IT outsourcing is increasing, with some banks concentrating on only one provider" reports [Finextra](#) on 18 May.

Financial stability & regulatory

Banks probe sales push linked to corporate loans

On 18 May the [Financial Times](#) reported that a number of banks including Barclays, Deutsche Bank, HSBC and Santander are carrying out internal reviews of their investment bankers' activities during the pandemic. This follows a letter issued last month by the UK Financial Conduct Authority (FCA) regarding "credible reports" that a small number of banks were pressuring corporate clients to purchase additional services in order to access lending. Some of the banks in question have issued statements reassuring the public that such reviews are standard practice after a letter from the FCA.

HSBC cuts 2020 global GDP growth forecasts again, predicting a contraction of 4.8%

[Reuters](#), 15 May

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Update: 14 May 2020

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Impact on operations

Zurich sees \$280m in coronavirus property and casualty claims in Q1

[Reuters](#) reports on 14 May that Zurich Insurance Group said property and casualty claims related to the coronavirus pandemic could total around \$750m this year, after recognising \$280m such claims in the first quarter.

Standard Chartered in Zimbabwe experiences cash flow challenges

[allAfrica](#) reports on 13 May that Standard Chartered's head of corporate affairs brand and marketing said the ongoing coronavirus induced lockdown period has negatively impacted cash imports.

Kenyan insurance companies are urged to digitalise operations in face of coronavirus

[allAfrica](#), 12 May

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Customers in Italy can now visit banks without booking an appointment

The rules for access to banks will change starting from 18 May, in line with the government's provisions on the so-called Phase 2: customers will be able to access banks, even without appointment, but with a maximum ratio of one to one between numbers of customers and workers, [adnkronos.com reports](#) on 12 May.

Actions to help clients

KCB Group restructures loans worth Sh80bn in Kenya

KCB is offering reprieve to customers who found it difficult to repay their loans due to the impact of the coronavirus, [Business Daily Africa](#) reports on 13 May.

French consumers association CLCV and family association Unaf call for a standardised cap on bank charges to support households in difficulty

[MoneyVox](#), 13 May

Insurer Hollard Ghana announces free coronavirus cover for existing and new customers

[allAfrica](#) reports on 11 May that the complimentary coronavirus cover will provide policy holders and their beneficiaries

with financial support in the event of hospitalization or death as a result of coronavirus at no extra cost.

Heightened risk

Lloyd's of London says claims to be biggest since 9/11

[The BBC](#) reports on 14 May that insurance market Lloyd's of London said it expects coronavirus-related claims to cost it \$3bn to \$4.3bn, meaning its biggest payout since the 11 September 2001 attacks in the US. The losses could rise further if the current lockdown continues into another quarter.

ABN Amro warns of increasing provisions after \$1.2bn Q1 hit

[Reuters](#), 13 May

German regulator BaFin concerned about the risk of default by bank customers

[L'Agefi](#), 13 May

Kenyan insurers and reinsurers expect to see an upsurge in claims indirectly related to the pandemic

[Business Daily Africa](#), 13 May



U.S. Treasury opposed to forcing of retroactive coronavirus business interruption (BI) claims

"While insurers should pay valid claims, these proposals fundamentally conflict with the contractual nature of insurance obligations and could introduce stability risks to the industry", [artemis.bm](#) reports on 12 May.

Businesses turn to private investment in public equity (PIPE) deals in face of coronavirus

[Law360](#) reports on 12 May that PIPE deals provide needed capital but can be tricky to put together and demand short turnarounds on due diligence.

French regulators ACPR and DGCCRF call for vigilance in face of the resurgence of fraudulent calls for donations in connection with coronavirus

[ACPR](#), 7 May

UK Financial conduct authority (FCA) seeks legal clarity on business interruption insurance alongside package of measures to help consumers and small businesses

[FCA](#), 1 May

Financial stability & regulatory

Bank of Italy reports 2.2m applications for loan moratorium

[Bank of Italy](#), 12 May

Brazilian investors withdraw BRL 91b from stock market while investment in cryptocurrencies increases by 200 percent

[cointelegraph.com](#), 12 May

Tanzania central bank lowers reserve requirements due to coronavirus

Tanzania's central bank lowered the statutory minimum reserves requirements for commercial banks from 7 per cent to 6 per cent and cut its discount rate for banks, to cushion the economy from the effects of the coronavirus crisis, [new.standardmedia.co.ke](#) reports on 12 May.

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Impact on operations

New York daycare sues insurance provider

Slate Hill Daycare Center in New York has sued their insurance provider Utica National Insurance Group for denying claims, stating that their business interruption policy should cover losses in the event of government-mandated closures. The insurer stated in a letter to policy holders that "Its policies do not cover business interruption closures unless there is physical damage, and civil authority closures have not caused physical damage to the properties" reports [Law 360](#) on 11 May.

Afreximbank cancels AGM events due to pandemic

On 11 May [allAfrica](#) reported that the African Export-Import Bank (Afreximbank) had cancelled a planned series of seminars expected to be held in Egypt in June as part of the bank's Annual General Meeting. These meetings are typically well attended by banking industry professionals among others. The Shareholders' meeting will instead take place via correspondence.

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Actions to help clients

Bank of Africa creates interest-free loan for sole traders to support during coronavirus crisis

According to [Aujord'hui](#) on 11 May, Bank of Africa has launched an interest free loan scheme in Morocco to help auto-entrepreneurs (sole traders) stay afloat through the pandemic. The loan of up to MAD15,000 can be repaid over a period of 3 years, with an initial 12-month repayment holiday.

Customers are following social distancing measures says National Bank of Malawi

[allAfrica](#), 11 May

French banks raise contactless payment limit to €50

As the French economy begins to open up following the easing of some lockdown restrictions, as an infection control measure the limit for contactless payments has been increased from €30 to €50. In some cases this update will be automatic, while for others it will require the PIN to be used once before activating, reports [La Tribune](#) (paywall) on 11 May.

Morocco: Banque Populaire to offer customers free digital banking services until 30 June

[Telquel](#), 8 May

Kenya's largest banks restructure KES176bn of loans

According to the Central Bank of Kenya, the 7 largest banks in Kenya have restructured 6.2% of the industry's total gross loan book in response to the coronavirus pandemic. The bulk of these loans are in the tourism sector which has suffered heavily from the decline in international travel reports [Business Daily Africa](#) on 7 May.

Heightened risk

Nigerian banks' losses to bad loans double in Q1 2020

[allAfrica](#), 11 May



Financial stability & regulatory

French economic downturn easing according to central bank

On 12 May, [Reuters](#) reported that according to the Bank of France the French economy was operating 27% below normal levels in April, which was an improvement from the second half of March when the economy was performing at 32% below normal. This follows certain lockdown restrictions being eased or lifted on Monday so that more businesses are permitted to resume activities.

Central Bank of Morocco advises suspension of dividend payments

The Central Bank of Morocco, Bank Al-Maghrib, has issued a press release advising lenders to suspend the payment of dividends to shareholders. They stated that credit institutions need to maintain “sufficient equity to cope with the effects of the crisis and thus preserve their capacity to provide financing in these exceptional circumstances.” according to [Telquel](#) on 11 May.

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Update: 07 May 2020

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Impact on operations

Commonwealth Bank to temporarily close 114 branches

Following similar closures from other banks, Commonwealth Bank Australia confirms it would redeploy about 500 of its branch staff to work in call centres or online operations and temporarily close branches around the country, [the Sydney Morning Herald](#) reports on 6 May.

Credit Suisse staff to return to work in four phases

[Bloomberg](#) reports on 5 May that Credit Suisse employees have been told to expect to return to work in four phases from work-at-home arrangements implemented because of the coronavirus. The first phase will allow a very limited number of essential staff to return to offices, and phase two will see additional employees returning in alternating groups. In phase three, more people will return while the split model arrangement is still in place, while phase four will allow for a full return and resumption of all services.

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More than 110,000 small businesses apply for the UK's "bounce back" loan scheme on first day

The Bounce Back Loans scheme went live on 4 May, with Barclays seeing 200 applications in the first minute and Lloyds 5,000 within three hours. It offers loans up to £50,000 and is designed to be simpler and quicker than the existing Coronavirus Business Interruption Loan Scheme (CBILS), [the BBC](#) reports on 4 May.

Actions to help clients

Helvetia offering to pay 50% of the coronavirus-related business interruption (BI) losses

Swiss multi-line insurance and reinsurance group Helvetia has taken the step of offering to pay 50% of the coronavirus-related BI losses of its Swiss restaurant policyholders, despite continuing to insist that the risk is legally excluded from its policies. The amount will be based on the company's annual revenue and will cover the duration of the mandated operational closure (16 March to 11 May 2020) and an additional half-month following relaxation of the Federal Council's measures, [Commercial Risk](#) reports on 5 May.

Heightened risk

BNP Paribas warns coronavirus could dent 2020 profits by a fifth

[The Financial Times \(paywall\)](#)

Virgin Money profits erased by coronavirus provision

Virgin Money swung to a first-half loss after booking a £232m provision for bad loans and likely defaults due to the pandemic, [Reuters](#) reports on 6 May.

Financial stability & regulatory

FATF offers policy guidance for managing coronavirus related AML risks

The Financial Action Task Force describes the ways in which AML/CFT policy responses can help support implementation of coronavirus response measures, while also managing new risks and vulnerabilities.

[Regulation Asia](#) (paywall), 5 May

Banks expected to adapt AML systems for the coronavirus age

[Risk.net](#) reports on 6 May that patterns of fraudulent activity have changed markedly during the global coronavirus lockdown, but banks should not expect leniency from regulators if their detection systems are found wanting as a result.



UNECA wants to pool African debt to negotiate with creditors

[impala.pt](#) reports on 5 May that the United Nations Economic Commission for Africa (UNECA) advocates pooling the debt of African countries through the creation of a financial vehicle guaranteed by a financial institution or development bank. The plan aims to exchange countries' sovereign debt for new concessional bonds that can prevent the funds needed to combat coronavirus from being used to pay creditors.

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Impact on operations

Central Bank of Nigeria suspend bank staff layoffs

[allAfrica](#) reports on 4 May that the Central Bank of Nigeria (CBN) and the Bankers' Committee have reached an agreement to temporarily pause any layoffs due to the coronavirus crisis. Express permission from the CBN will be required in the event of any essential redundancies.

BBVA provision €1.433bn for coronavirus

The bank have announced they will face a significant loss this year due to the coronavirus pandemic and the resulting downturn in the US market. They have provisioned €1.433bn and taking into account the economic impact in the US they

face an overall loss of €1.792bn. The bank will also not pay dividends at least until the crisis has passed reports [La Vanguardia](#) on 30 April.

Actions to help clients

Wapic Insurance to offer discounts to healthcare workers

One of Nigeria's largest insurers Wapic Insurance has announced that they will offer a 15% discount on new policies for healthcare workers. This follows an earlier announcement by the insurer that they will refund motor insurance premiums during the lockdown. The company have also previously donated NGN 40m to the coronavirus response reports [allAfrica](#) on 4 May.

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Heightened risk

Febraban warns of increase in coronavirus phishing attacks

According to the Brazilian Federation of Banks (Febraban), from February to March there has been a 44% increase in phishing attacks targeting consumers by using the coronavirus pandemic as an attack vector. According to Adriano Volpini, director of the Executive Committee on Fraud Prevention at Febraban, 80% of the scams use social engineering. Examples given include email, SMS, and WhatsApp messages exploiting financial vulnerabilities due to the pandemic reports [Época Negócios](#) on 3 May.

Financial stability & regulatory

Central banks have provided \$100bn of support to investment funds

As reported by the [Financial Times](#) on 3 May, since the coronavirus crisis began, central banks and monetary authorities including the US Federal Reserve and the Reserve Bank of India have given liquidity injections totalling \$93.8bn to struggling asset managers. The bulk of this support has been in the US, where the Federal Reserve have given \$51bn of support to help meet redemption requests. There have been cases of investor runs on funds, for example the Indian arm of US fund manager Franklin Templeton have suspended six local bond funds managing more than \$3bn.

Ugandan insurers asked to give policy holders 3-months grace period

The Insurance Regulatory Authority (IRA) of Uganda have advised all insurance companies that existing grace periods for policy lapses should be extended by an additional 90 days for life insurance, and 60 days for medical insurance and non-life policies. The regulator has also advised insurance companies not to pay out dividends to shareholders, in anticipation of financial impact from the crisis according to the [Independent](#) on 1 May.

Bank of Japan may hold emergency policy meeting for new coronavirus loan plan

The Bank of Japan (BOJ) may hold a rare unscheduled policy meeting to implement a plan that is currently being drafted to help smaller firms and households affected by the pandemic. The plan aims to reward financial institutions who provide lending to these customers in order to boost lending. Most BOJ measures already implemented have been targeted toward larger companies reports the [Japan Times](#) on 30 April.



ECB emergency program could be extended

[MoneyVox](#) reports on 30 April that President of the European Central Bank (ECB) Christine Lagarde has stated the €750bn pandemic program aimed at softening the impact of the crisis “could be extended” beyond the end of 2020. The scheme, known as PEPP, is one of a number of measures launched by the ECB in order to counter the economic shock of the coronavirus.

UK deadline for Libor transition extended by 6 months

The deadline for the transition from Libor linked lending to alternative risk-free rates has been pushed out until March 2021 in light of the coronavirus pandemic reports [Risk.net](#) (paywall) on 29 April.

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Impact on operations

HSBC puts 35,000 job cuts on hold

HSBC has paused plans to cut 35,000 jobs, saying it does not want to leave staff unable to find work elsewhere during the coronavirus outbreak. The bank announced the cuts in February as part of a massive cost-cutting programme. It came as HSBC reported a 50% fall in profits linked to the pandemic, [BBC](#) reports on 28 April.

Standard Chartered Kenya to close eight branches for three months

[Business Daily](#) reports on 28 April that the temporary closure comes at a time when

banks have also been forced to cut weekday operating time by one hour in the wake of the coronavirus pandemic that saw government enforce 7pm to 5am curfew.

Russian banks provide on-site accommodation for employees to avoid business disruption

[rbc.ru](#) reports on 26 April that certain bank employees have been offered higher bonuses and salaries to relocate to accommodations on the workplace to carry on with essential work.

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Actions to help clients

ING Belgium's action to help clients

[ING](#) announces its measures to help clients on 28 April, such as deferral of payment of mortgage loans and business loans, which can now be requested for a maximum of six months and a guarantee program for new loans to the self-employed, businesses, hospitals and legal persons in the non-profit sector.

JPMorgan teams up with working capital fintech outfit Taulia to offer its clients new trade finance options

JPMorgan, says: "With Taulia, we're better positioned to serve our clients for the long term, allowing them to inject and redeploy liquidity to their suppliers, ensuring continued operations during this challenging time", [Finextra](#) reports on 28 April.

JPMorgan has to turn small business administration (SBA) borrowers away before it starts second round

The SBA's Paycheck Protection Programme relaunched Monday at 10:30 a.m. New York time with an additional \$320bn. The initial \$349bn to support small business during the coronavirus pandemic ran out in just 13 days, [American Banker](#) reports on 28 April 2020.

Heightened risk

Barclays warns the pandemic could cost it some £2.1bn due to customers being unable to repay loans and that big offices may be a "thing of the past"

[BBC](#), 29 April

Emergency coronavirus loans may carry high mis-selling risk

[Risk.net](#) reports on 28 April 2020 that the unprecedented urgency with which government stimulus and aid programmes are being rolled out means lenders haven't had time to vet products with the same diligence.

In the US, legal action by clients has already begun. The Paycheck Protection Program, designed to provide financial assistance to small businesses, has resulted in a class action lawsuit in California against four large banks: JP Morgan, Wells Fargo, Bank of America and US Bank. The suit alleges the banks employed deceptive lending practices that favoured large clients, rather than the small business owners the programme was supposed to help by providing forgiveness of loan proceeds for up to two-and-a-half times an owner's monthly payroll.



Japan regional banks increasing tie-ups to survive

[The Japan Times](#) reports on 27 April that regional banks in Japan are increasing capital and business tie-ups with each other or with non-banking businesses in a desperate attempt to survive increasingly tough operating conditions.

Financial stability

Bank of BRICS will allocate US \$15mn for economic recovery of the block

The BRICS New Development Bank, a block formed by Brazil, Russia, India, China and South Africa, will allocate up to \$15bn for recovery projects, [noticias.uol.com](#) reports on 29 April.

UK working group delays Libor loan end-date to March 2021

Following discussions with the Bank of England and Financial Conduct Authority, the working group on sterling risk-free reference rates extended the end-date for new Libor-lending to the end of the first quarter of 2021, but called on banks to ensure they are prepared to offer loans linked to Sonia by October this year, [risk.net](#) reports on 29 April.

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Impact on operations

NAB seeks AUD2.2 billion investment and cuts dividend

National Australia Bank has seen its profits severely reduced due to the pandemic, reports [Reuters](#) on 27 April. In response the bank is holding a discounted share sale in order to raise capital. Unlike many others, the bank did not scrap dividend payments this year but rather reduced them to AUD850 mn, roughly one third of last year's payments

Namibia sees large queues at ATMs for income grants

As an income grant worth NAD750 is rolled out to help with the impact of the coronavirus in Namibia, customers and

banks have been experiencing queues of up to 6 hours to withdraw the funds. Banks are facing complaints that these queues are violating social distancing measures, reported [allAfrica](#) on 20 April.

Actions to help clients

Repayment holidays for second homes and liquidity mortgages

The Italian Banking Association and consumer rights organisations have come to an agreement that customers with a wider variety of mortgages will be eligible to apply for repayment holidays. This will now include those with second homes, mortgages for home improvements, and unsecured mortgages reports [la Repubblica](#) on 26 April.

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Seychelles Bankers' Association to offer assistance with loan payments

The Seychelles Bankers' Association will help clients who are facing financial difficulties during the coronavirus pandemic. This will include a moratorium on loan repayments for up to 6 months for businesses and up to 3 months for individuals. Low-interest loans will also be made available to those under pressure reports [allAfrica](#) on 24 April.

Pru Life UK gives away free life insurance to 500,000 Filipinos

According to [Business Inquirer](#) on 24 April, Insurer Pru Life UK previously gave away 100,000 free coronavirus protection and personal accident insurance policies to Filipino customers. They will now follow this with another 400,000 policies available, which will cover "one-time, 45-day insurance against the unfortunate event that the individual passes away as a result of coronavirus or an accident." The free insurance is primarily aimed at front-line healthcare workers.

First National Bank of Namibia cuts interest rates and provides relief to SMEs

FNB Namibia announced a reduction in the interest rates on their lending products following the Bank of Namibia's rate cut. This will include home loans and credit cards reported [allAfrica](#) on 23 April. The bank also announced cuts to investment products, but smaller reductions than those to lending rates.

Also according to [allAfrica](#) on 22 April FNB Namibia are implementing relief measures for SME customers in good financial standing to help them during the crisis.

Ally bank forgives some customers' overdrafts

US digital only bank Ally Financial has announced that it will forgive some customers' overdrawn balances so that they can receive their full \$1200 government coronavirus stimulus cheques. The bank has not yet given details on the limits to the overdraft forgiveness, reported [Business Insider](#) on 22 April.

Heightened risk

UniCredit sets aside €900mn for potential loan losses

Italy's UniCredit are preparing for an economic downturn which could see an increase in loan defaults by provisioning €900mn. This follows similar moves in America, where the largest lenders have increased their provisions by a combined \$25.4b reports the [Financial Times](#) on 22 April. This is a significant change of direction for UniCredit, who previously announced "the best quarter in a decade" in December.



Financial stability

NZ Reserve Bank proposes to remove mortgage LVR restrictions

The [Reserve Bank of New Zealand](#) proposed on 21 April to remove the loan-to-value restrictions on mortgages in response to the coronavirus pandemic. According to the Reserve Bank, "LVRs were introduced as a macro-prudential financial stability tool in October 2013 and have been adjusted over time. Adjusting the use and calibration of macro-prudential tools in response to economic conditions is how they are intended to be used".

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Impact on operations

Bankinter cuts its profit by 10.1% after provisioning €107m for coronavirus

[Expansión](#), 23 April

Banking groups have criticised US plans to benchmark emergency loans made to businesses during the coronavirus pandemic to the secured overnight financing rate, or SOFR, instead of the more commonly used Libor.

[Risk.net](#) (paywall), 22 April

Banks and mobile phone companies tackle rise in scam text messages exploiting the coronavirus pandemic with UK government cybersecurity agency

The collaboration has resulted in 400 sender IDs being blocked from use, including 70 specifically over scamming connected to coronavirus, [Law360](#) reports on 22 April.

Insurers Hiscox and Beazley expect to pay out up to \$175 million and \$170 million respectively on coronavirus claims, mostly on events cancelled as a result of the pandemic

[Law360](#), 22 April.

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The FCA says it will not take action against staff working without necessary qualifications if they cannot get accredited because of coronavirus

The FCA has granted employees of banks and insurers an extra year to sit professional exams. It said that it will not penalize employers if their staff cannot take exams with accredited bodies within the required 48 months of starting to provide a regulated service, [Law360](#) reports on 22 April.

AFCA eliminates the need for an SOA when giving advice around early super release

AFCA said it will take ASIC's regulatory relief around SOAs into account when dealing with financial complaints against advisers in the next few months, the [Independent Financial Adviser](#) reports on 22 April.

ING postpones discontinuation of TAN code

ING originally planned to discontinue the TAN code this month but has postponed it indefinitely due to the coronavirus outbreak, [security.nl](#) reports on 22 April.

The Basel Committee on Banking Supervision and the International Organization of Securities Commissions announce delay to IM calculations

The decision to delay the threshold calculation period for the fifth phase of the non-cleared margin rules has left some firms complaining that preparatory work may need to be redone and others warning of operational overload next year, [Risk.net](#) reports on 22 April.

NAB announces changes to its Know Your Customer (KYC), Verification of Identity (VOI) and interview requirements

From 23 April onward, the group will require brokers to use the IDyou app for the remote sighting, collection and verification of identity documents. In addition to using IDyou, the bank requires brokers to interview customers via video calls to sight them with their original documentation, [Australian Broker](#) reports on 21 April.

Linxea digitizes its life insurance offer

The underwriting of all of Linxea's life insurance contracts is now fully accessible online thanks to the electronic signature, [L'Agefi](#) reports on 21 April.



Actions to help clients

French banks reach almost €40bn in state-guaranteed loans to businesses

[L'Agefi](#) (paywall), 23 April

Financial institutions in Japan struggle to handle surging loan requests from small companies amid the coronavirus outbreak

Since the government announced in March its decision to offer effectively interest-free loans through affiliated financial institutions, requests for such loans have continued to increase after the government declared a state of emergency on 4 April, [The Japan Times](#) reports on 23 April.

African insurance regulator grants 3-month premium pay holiday

The Insurance Regulatory Authority (IRA) said insurers will be required to give their clients concessions such as deferral of payments or renewal of premiums, including considering offering holidays and the option of staggered payments, [Business Daily](#) reports on 22 April.

UAE: Zurich provides premium relief and additional measures to help customers amid the coronavirus pandemic

Zurich International Life Limited in the Middle East has offered relief to any customers experiencing financial difficulty, offering a three-month grace period from the date

premium payments, [Middle East Insurance Review](#) reports on 21 April.

UK motor insurer Admiral refunds £110m to customers

The insurer said £25 would be given back to 4.4m customers who have car and van insurance, as it said it expects there to be fewer claims than normal due to coronavirus, [Law360](#) reports on 21 April.

Crédit Mutuel and CIC pay €200m to professional policyholders

The mutual banking group Crédit Mutuel and its subsidiary CIC announced that they would pay a total of €200m to their professional customers insured against operating losses in order to compensate for part of the shortfall linked to the coronavirus epidemic, [moneyvox.fr](#) reports on 21 April.

[The Honk Kong Monetary Authority](#) and the Banking Sector launch pre-approved principal payment holiday scheme for corporate customers

17 April



Heightened risk

Crédit Suisse sets aside over CHF 970 million to cover write-downs and provisions for bad loans

[FMT](#), 23 April

Hackers are now targeting stock markets

There has been increase in cyberattacks through new types of phishing scam where fraudsters are setting up fake websites that look exactly same as the trading website of leading brokerages, [The Economic Times](#) reports on 23 April.

Financial advisers warned over personal indemnity cover

The [Financial Conduct Authority](#) (FCA) said in a statement that cover is still available in the market for advisers and is therefore still a requirement. The Personal Finance Society wrote to the FCA last month to ask it to waive the requirement for four months for companies searching for cover, saying the pandemic had further narrowed the market. Insurers have hiked premiums for companies in the sector because of a growth in the [number of complaints](#) against advisers, contributing to a 500% rise in the cost of cover for some companies, [Law360](#) reports on 22 April.

The ECB will be able to accept degraded bonds in the "rotten" category as guarantees for loans granted to banks, a new measure intended to support the European financial system in the midst of the coronavirus crisis

[moneyvox.fr](#), 22 April

Business insurance interruption litigations on the rise

All of the complaints filed so far against insurers raise two common questions: does coronavirus cause physical damage or property loss as those phrases are used in insurance policies; and is insurance coverage triggered when the virus is present on or near a policyholder's property?

[Reuters](#), 21 April



AFM keeps an eye on the quality of services provided by banks during coronavirus

The Netherlands Authority for the Financial Markets (AFM) said it is paying close attention to financial institutions during the coronavirus crisis. More specifically, whether they will continue to perform their duty of care and that they will not convert the corona crisis into new revenue models. The regulator also warns against increased activity of rogue lenders, who could abuse the current fragile financial situation of many Dutch people, [banken.nl](https://www.banken.nl) reports on 17 April.

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Impact on operations

APRA suspends the issuance of any new banking licences for "at least six months" in response to the economic uncertainty created by coronavirus

[Brokernews.com](#) reports on 20 April that the hold is expected to last at least six months, but APRA will continue to assess current licence applications throughout the pause to minimise the delay on launching when normal activity recommences.

Ivorian banks face challenges related to BCEAO initiative to reduce corporate debt

[Agence Ecofin](#) reports on 17 April that the challenges include deferred interest on loans and the management of the postponement of maturities which has been

authorized by the Central Bank and which can range from 3 to 6 months.

Clearing houses postpone euro discounting switch to July

The move to a new discount rate for euro interest rate swaps – initially planned for June 22 – has been delayed by five weeks in response to disruptions from the coronavirus pandemic, [Risk.net](#) (paywall) reports on 17 April.

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The Bankers' Association of Zimbabwe mobilises \$10m for coronavirus fight

[allAfrica](#) reports on 17 April that the BAZ has announced plans to mobilise \$10m through its members as part of corporates' further contribution to the fight against coronavirus.

Morgan Stanley announces a sharp decline in its quarterly results, due to a drop in mergers and acquisitions operations amid a health crisis.

Anticipating defaults from companies to which Morgan Stanley loaned money, it provisioned nearly \$1bn in its accounts, [Libre Eco](#) reported on 16 April.

Adjustments to timing of planned regulatory changes in Canada

On 16 April the Financial Services Regulatory Authority (FSRA) and the [Ontario Securities Commission \(OSC\)](#) notified market participants about new timing for the transfer of regulatory oversight of certain syndicated mortgage investments to the OSC. The implementation of the switch in oversight has been pushed back from 2020 to 1 Jan 2021 due to the impact of coronavirus.

Also on 16 April, the [Canadian Securities Administrators \(CSA\)](#) published a relief order that provides registrants with an additional six months to comply with the conflicts of interest provisions in the Client Focused Reforms. Registrants will now have until June 30, 2021 to implement these changes as many registrants will not be able to implement the interest reforms since they

are redeploying their staff to ensure key business functions continue to operate during the pandemic.

Actions to help clients

ACC to delay \$900m of invoices for three months to ease cashflow burden

The [New Zealand Herald](#) reported on 17 April that state-owned workplace insurer Accident Compensation Corp (ACC) would hold off on invoices to firms and sole traders to help them through the coronavirus crisis. These delays apply to around 500,000 employers and sole traders and total approximately \$900m. ACC estimates that the cost of delaying the invoices will be \$7.5m in 2021 and \$4m in subsequent years due to lost investment income.

Centenary Bank removes digital transaction charges for 30 days

Due to disruptions caused by coronavirus lockdown, Centenary Bank top officials have announced the removal of charges for account to mobile wallet transfers for any amount using its CenteMobile platform, [the Independent](#) reports on 17 April.

Zurich, Ergo, Allianz, VKB and W&W offer free child accident insurance

With schools and kindergartens being closed due to coronavirus, statutory accident insurance coverage for the youngest is no longer applicable. Some insurers offer this free of charge, [Versicherungswirtschaft-heute](#) reports on 16 April.



The Bank of Central African States (BEAC) invites payment service providers to lower the costs of electronic money and digital payment transactions within the Economic and Monetary Community of the Central Africa (Cémac)

[allAfrica](#), 16 April

Central bank of Morocco establishes program to support SMEs

[Telquel](#) reports on 16 April that Bank Al-Maghrib has announced a scheme whereby banks lending to businesses with a turnover of less than 200m dirhams can refinance from the central bank over a period of 2 years.

Banque Atlantique donates FCFA 75m to fight coronavirus

On 15 April, Bank Atlantique, a subsidiary of the Banque Centrale Populaire Group (BCP) of Morocco made donations worth FCFA 75m to combat the spread of coronavirus in Burkina Faso. Along with a cheque for FCFA 45m, the bank donated equipment worth FCFA 30m reports [Agencee Ecofin](#).

FDH Bank offer 3 month loan repayment moratorium for customers affected by the pandemic

[allAfrica](#), 16 April

Heightened risk

KBC estimates losses on financial instruments at €400m

Due to increased market volatility, KBC have estimated a potential loss of €400m from the negative impact on financial instruments. This impact comes from "the sharp contraction in the equity markets, widening credit spreads and falling long-term interest rates" according to KBC reports [La Libre](#) on 17 April.

Systemic US banks put aside \$25bn for credit losses in Q1

[Risk.net](#) (paywall), 17 April

UK insurers face legal battle following rejected pandemic claims

[Law 360](#) reports on 17 April that a number of class action legal challenges are in the pipeline as insurers refuse claims on business interruption insurance related to the coronavirus pandemic. Based on the language of these insurance policies, some insurance providers may face more of a battle as policy holders and their lawyers argue that claims should be paid following the UK government lockdown. The FCA has previously stated that it would not intervene if there was no clear obligation for insurers to pay out because of lack of pandemic-related cover.

Goldman Sachs' VAR hits five-year high

[Risk.net](#) (paywall), 15 April



Financial stability

Brazilian federal government changes plan to decrease the capital of state-owned banks amidst current crisis

Prior to the crisis the National Bank for Economic and Social Development (BNDES) had been following through with plans to downsize its stock portfolio. However, in light of the coronavirus pandemic this strategy has been put on hold, reports [Yahoo Noticias](#) on 21 April. The BNDS is now coordinating a union with private banks to bail out large companies, and responsible for implementing social payments programs to aid the most vulnerable in society.

Chinese banks further cut rates to support economy

Chinese banks have lowered their one-year loan prime rate (LPR), which is the benchmark for the most advantageous rates that banks can offer to businesses and households. This rate has been dropped from 4.05% to 3.85%, the lowest level of this rate since August 2019 reports [MoneyVox](#) on 20 April.

Coronavirus loan losses exceed 2019 CCAR projections

[Risk.net](#), 20 April

BoE and ECB weigh calls for capital relief similar to Fed

European banks are pressing their home regulators to follow the US Federal Reserve's lead in easing capital requirements for sovereign debt and central bank exposures. Discussions are taking place with the Bank of England and the European Central Bank reports [Risk.net](#) on 20 April.

Canadian securities regulators temporarily increase short-term borrowing limits for mutual funds investing in fixed income

On 17 April the [Ontario Securities Commission](#) issued temporary blanket relief that permits mutual funds to engage in additional short-term borrowing from 17 April 1 to 31 July. The conditional temporary relief is available to any mutual fund in Canada that invests a portion of its assets in fixed income securities, including equity funds holding a portion of fixed income securities.

Central bank of Mozambique cuts key interest rates

[allAfrica](#), 17 April

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Impact on operations

APRA announces new commencement dates for prudential and reporting standards

After announcing the suspension of its policy and supervision initiatives earlier in the month, the [Australian regulator](#) announced the new dates on 16 April, which are yet to come into effect.

AFCA announces further coronavirus relief for financial firms

[The Independent Financial Adviser](#) reports on 16 April that financial firms would receive a nine-day extension to deal with customer complaints, effective immediately.

Europe to suspend dividends from banks and insurers

[L'Agefi](#) reports on 15 April that EU finance ministers will support regulators' injunctions to suspend dividends urging the banks which have not yet decided to do so to refrain from distributing dividends during this period and to use the capital and the profits available to extend credit and respond to urgent financing needs caused by the coronavirus crisis.

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South African Capitec Bank will not distribute dividends for its 2019/2020 fiscal year

[Agence Ecofin](#) reported on 14 April that Capitec Bank felt that it was prudent to preserve resources to respond more flexibly to the consequences of the coronavirus crisis.

Actions to help clients

Absa Bank of Seychelles announces loan payment relief for business and individuals in face of coronavirus crisis

[Seychelles News Agency](#) reported on 16 April that the relief initiatives will span six months for businesses in the hospitality and tourism sectors, those for retail customers will span three months. The relief will be funded entirely by the bank.

Unipol to reimburse insureds one month of policy coverage

[It.blastingnews](#) reported on 16 April that Unipol's initiative allows vehicle insurance holders to request a voucher that will have the value of one month of paid premium. 10m policyholders will benefit from the initiative.

BEAC announces mobile payment revolution in CEMAC zone

The Bank of Central African States (BEAC)

has announced that it is now possible to make payments more easily between several operators. This will serve to limit the spread of coronavirus by minimizing the circulation of coins and banknotes [Agence Ecofin](#) reports on 16 April.

Sterling Bank introduces palliative measures for customers

[allafrica.com](#) reported on 16 April that among the measures taken by the bank was the reduction of the restructuring fees on all new and existing loans by up to 50 per cent. Also, the bank has made provision for the extension of the repayment of loan obligations that are due.

California insurance regulator orders insurance companies to refund premiums to drivers and businesses affected by the coronavirus crisis.

[The order](#) from 14 April covers six different insurance lines: private passenger automobile, commercial automobile, workers' compensation, commercial multi-peril, commercial liability, medical malpractice, and any other insurance line where the risk of loss has fallen substantially as a result of coronavirus. The order requires insurance companies to provide a premium credit, reduction, return of premium, or other appropriate premium adjustment as soon as possible, and no later than August 2020.



Heightened risk

The FCA orders insurance companies to pay out claims to firms "as soon as possible" or explain themselves to the watchdog

[The BBC](#) reported on 15 April 2020 that the FCA's request is consistent with the wider objective of the authorities to support business and consumers during the coronavirus crisis. The letter is targeted at insurers in relation to claims from small and medium firms for business interruption cover and does not address individuals' policies.

US banks prepare for soaring loan defaults arising from coronavirus crisis

[Le Monde](#) reported on 16 April that major US banks have set aside provisions to deal with future customer default, taking into account that about 16mn Americans registered unemployed in late March and early April and households and SMEs find it difficult to pay bills, consumer loans and monthly payments. Bank of America provisioned \$4.8bn, Citigroup \$7bn and Goldman Sachs \$937mn.

JPMorgan and Wells Fargo provision in the first quarter the risk of increasing defaults on their credit portfolios.

[L'Agefi](#) (paywall), 15 April

Coronavirus claims: three waves of impact and how Asian insurers can prepare

[brinknews.com](#) reported on 15 April that in the first wave, new business in most lines will decline, as potential customers lose income and are hit by financial difficulties. In the second, claims will increase following insurable events that follow from the pandemic. This will have an impact on lines including trade/credit/surety, life insurance and event cancellation. That said, claims in some personal lines will likely decline. The third wave could consist of an increase in demand for insurance products.

Hiscox market update regarding business interruption exposure

[Hiscox](#) reported on 15 April that its core policy wordings do not provide cover for business interruption as a result of the general measures taken by the UK government in response to a pandemic. Hiscox believes its business interruption exposure to coronavirus is limited in Europe and it has negligible exposure in its US retail business.



Financial stability

Uganda Lowers Central bank rate

allafrica.com reported on 15 April that Uganda's central bank has dropped its policy rate from nine per cent announced in February to eight per cent for April, to counter the fallout from the coronavirus pandemic on commercial banks, micro deposit taking institutions, the economy and borrowers.

Central banks introduce liquidity into the system to support during coronavirus crisis

[Il Sole 24 Ore](https://www.sole24ore.com) reported on 14 April that the Bank of Japan now holds securities for a value higher than the Japanese GDP. Same goes for Switzerland. The ECB has stocks in excess of 40% of the GDP of the area.

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Impact on operations

Banco Sabadell cancels dividend payment

On 9 March [La Vanguardia](#) reported that in line with other European banks, Banco Sabadell would not be paying any dividends in 2020 as a measure to mitigate the financial impacts the coronavirus crisis.

Actions to help clients

French Ministry of the Economy and Finance and insurers are working on a pandemic insurance plan

[Le Monde](#) (paywall), 14 April

French Minister of Economy and Finance Bruno Le Maire asks insurers to return money to their customers

[L'Agefi](#) (paywall), 14 April

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Auto insurers offering \$8-\$10bn in discounts in coronavirus relief effort

Major North American insurers are offering discounts on motor insurance premiums, to reflect the fact that insureds are driving less due to restrictions on movement and social distancing. The Insurance Information Institute estimates that the total refunds, discounts, dividends, and credits will reach \$10.5bn as even more providers join those already providing relief, reports [Insurance Journal](#) on 13 April. This includes major insurers such as State Farm and Nationwide among others.

Bank of Africa offers free remote transactions to customers

On 10 April [AllAfrica](#) reported that the Bank of Africa group will allow free transactions for customers through its digital partners BMCE Direct and Dabapay. BCME Direct is a mobile banking app and website where customers can manage their accounts, make transfers, pay bills etc. Dabapay is a mobile wallet that also facilitates transfer of funds, bill payment, and cash withdrawals from certain ATMs without a card.

Belgian banks grant payment deferrals to 86,000 customers totalling €1bn in a week

Febelfin announced on Friday 10 April that after a single week, Belgian banks had

granted loan repayment deferrals to more than 46,000 companies and 40,000 individuals. Deferrals of up to 6 months were previously agreed by the government and the financial services sector for those who are affected by the crisis and meet certain criteria, reports [La Libre](#).

I&M Bank Rwanda cuts base lending rate to support customers through coronavirus crisis

Customers of I&M Bank Rwanda will have some lending relief as the bank lowers its base lending rate from 16.5% to 16%. This reduction will apply to new borrowers and those with existing loans, reducing their repayments. While this move will also lower the bank's revenue, this will be bearable as they attempt to support their customers and their businesses, reports [AllAfrica](#) on 10 April.



BNP Paribas announces €50m in aid for around 30 countries

Having previously announced plans to make €25m of aid available, BNP Paribas have committed to providing a further €25m. These donations will be focused on supporting hospitals, vulnerable groups such as the homeless and the elderly, and students with limited digital access. The aid will be distributed across 35 countries in which the bank has operations, reports [La Tribune](#) on 9 April.

Heightened risk

Central Bank of Nigeria denies charging N10,000 for coronavirus loan applications

Despite emails allegedly showing otherwise, the Central Bank of Nigeria (CBN) has made a statement refuting claims that NIRSAL Microfinance Bank (who are administering the COVID-19 loans) are charging small businesses a fee of N10,000 to process the loans. The CBN stated that the bank would not request payment of any processing fees, and concerns or complaints should be raised with the consumer protection department, reports [SaharaReporters](#) on 13 April.

Big banks face criticism for charging interest on interest as part of Covid-19 mortgage deferrals

On 11 April [CBC News](#) reported that while banks are offering mortgage repayment holidays in light of the crisis, customers may face considerable additional costs. Although the repayments can be deferred in cases up to 6 months, interest is still accrued during this time, which can either be paid at the end of this period or added to the principal of the mortgage. If added to the principal amount of the mortgage customers are then faced with paying interest on this interest. Democracy Watch, a watchdog group for corporate and government ethics has called for the banks to temporarily forgive mortgage payments altogether.



Financial stability

ASIC release details of changes to regulatory work in light of COVID-19

On 14 April the [Australian Securities and Investments Commission \(ASIC\)](#) announced the changes to some of their regulatory activities. Some activities have been delayed as they are considered not immediately necessary "including consultations, regulatory reports and reviews". Onsite supervisory work is not possible, but remote monitoring of firms, working alongside APRA, will continue. Enforcement actions will continue, with some adjustments to the timings. Finally, key functions will remain available "including registry operations and services, receipt of whistleblower, breach and misconduct reports, and general contact points for industry."

The French Prudential Supervisory and Resolution Authority announces a relaxation of the reporting conditions for the banking sector

On 9 April [ACPR](#) announced that deadlines for regulatory reporting for financial institutions would be pushed back up to two months, in line with the European Banking Authority (EBA) requirements to grant more flexibility in view of the coronavirus crisis.

Canadian securities regulators provide update on changes to regulatory work in light of coronavirus

The [Canadian Securities Administrators \(CSA\)](#) announced that any proposals would have their response periods extended by 45 days, and no new proposals would be published until at least 30 May. The regulator will also consider proceeding with burden reduction activities if necessary.

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Impact on operations

AXA calls for "pandemic insurance plan"

AXA CEO Thomas Buberl stated that the insurer wants to work with European states to create a "pandemic insurance plan" inspired by existing mechanisms for natural disasters. Buberl said that the plan could be owned 50% by the state and 50% by private insurers who would collect the premiums. Insurers would pay out up to two or three times the amount of premiums and the state would pay the rest, [Le Monde](#) reported on 5 April.

RBI reduces trading hours for debt and currency markets from 7 April

Due to the lockdown, the Reserve Bank of India (RBI) has changed market hours from

between 09:00 and 17:00 to between 10:00 and 14:00 from 7 to 17 April. Affected markets include government securities, currency trades and foreign exchange derivatives. Regular banking services for customers will continue to operate on their usual schedules, [The Times of India](#) reported on 3 April.

EIOPA asks insurers to suspend dividend payments

On 3 April, the European Insurance and Occupational Pensions Authority (EIOPA) asked insurers and reinsurers to suspend dividend payments and share buyback schemes, [RTBF](#) reports. Last month, the European Central Bank asked banks to refrain from paying out dividends and to use the capital to fight the coronavirus crisis.

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Nationwide U-turns on business banking debut over coronavirus

Nationwide has abandoned plans to begin providing business banking services, stating that the coronavirus crisis – including assumption changes to short- and long-term interest rates – has made this strategy “no longer commercially viable”. The building society will return a £50m grant from a pool of RBS funds aimed at fostering competition among UK banks, and expects the move to cost it £70m. The building society plans to retain jobs and move affected staff to other business areas, [City A.M.](#) reported on 3 April.

Transport shutdown forces Ugandan banks to close branches

Government restrictions on private transport and the introduction of a curfew have contributed to the closure of some bank branches in Uganda. The measures took banks by surprise. Centenary Bank said it was working out travel schedules for staff, [Daily Monitor](#) reported on 2 April.

European Insurance and Occupational Pensions Authority gives guidance to insurers on consumer-friendly behaviour

[BaFin](#), 2 April

Actions to help clients

Wells Fargo caps role in SME rescue programme at \$10bn

Wells Fargo will limit its participation to \$10bn in a loan programme to help small business. This is due to an order from the Federal Reserve for the bank to keep its assets below \$1.95trn until it has improved risk and governance controls following sales practice scandals. Wells Fargo expects to have reached the \$10bn limit with applications already received and will prioritise loans to non-profits and businesses with fewer than 50 employees. The bank will also give fees received from the programme to non-profits focused on small business, [Business Standard](#) reported on 6 April.

Wells Fargo defers nearly \$1.8bn in payments and waives more than \$28m in fees for customers affected by coronavirus in March

[Business Standard](#), 6 April

CaixaBank offers three-month payment holiday for vehicle rentals

Given government restrictions on movements in certain jurisdictions, CaixaBank will now offer customers with vehicle rental agreements the option to defer payments for up to three months. The measure can accommodate up to 38,000 clients, limited to individuals, the self-employed and SMEs. Additionally, the bank will extend leasing contracts for six months with the same fee, services and kilometres contracted, [Expansión](#) reported on 5 April.



Big six Canadian banks to reduce credit card interest rates

Bank of Montreal, Toronto-Dominion Bank, Royal Bank of Canada, National Bank of Canada, Scotiabank and Canadian Imperial Bank of Commerce have all announced plans to cut interest rates for customers experiencing hardship due to coronavirus, [CBC](#) reported on 4 April.

Argentine banks reopen branches for vulnerable customers

Banks in Argentina have reopened their doors to support the elderly, those in receipt of social welfare benefits, and for those without a debit card. Branches will open from 10:00 to 15:00, [Télam](#) reported on 4 April.

Half a million Canadians getting coronavirus mortgage deferrals

Canada's six largest lenders, taken together, have deferred more than 10% of the mortgages in their portfolio so far. Deferrals approved so far are estimated to leave approximately C\$663m per month in homeowners' pockets, [Global News](#) reported on 3 April.

customers

Following a drop in demand in certain sectors such as tourism due to the coronavirus, several Namibian banks have committed to support their customers through the crisis. Standard Bank Namibia has announced capital and interest repayment holidays of 12 months for tourism ventures, and six months for SMEs. The bank will also waive student loan interest until the end of June. Bank Windhoek will not implement a blanket repayment holiday, but instead will liaise with customers on an individual basis. Similarly, Nedbank will accept applications for debt relief on a case-by-case basis, [The Namibian](#) reported on 1 April.

BAD to provide \$2m of emergency aid to WHO

The African Development Bank (Banque africaine de développement, BAD) will donate \$2m to the World Health Organisation (WHO) to fight the coronavirus pandemic. WHO will use the funds to improve the prevention, testing, and treatment of the disease, [AllAfrica](#) reported on 1 April.

Namibian banks to provide lending relief for



Heightened risk

Japan's pension giant suffers record 18 trillion yen quarterly loss according to Nomura

This is due to a global market shock caused by coronavirus. Overseas stock investments were the largest source of the loss to Japan's Government Pension Investment Fund (GPIF), the largest pension fund in the world.

[Nikkei Asian Review](#), 2 April

FMA warns of increase in fraudulent activities due to pandemic

On 2 April the [Austrian Financial Market Authority \(FMA\)](#) warned financial institutions of a heightened risk of fraud linked to the coronavirus. Previously known scams are being re-used to exploit vulnerabilities in this time of crisis. Examples include CEO fraud, phishing, penny stock pushing, and advance fraud.

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Impact on operations

French insurer Maif says that most of its employees are partially unemployed but that it has maintained wages at 100%, a measure which represents a cost for the business of around €15m

[RTBF](#), 2 April.

New Belgian cooperative, NewB, delays launch of ethical and sustainable bank planned for this summer

It is likely that the launch will be delayed until the end of the year, [RTBF](#) reported on 1 April.

Requests for state-guaranteed loans increase rapidly in France

As of the evening of 31 March, businesses

had requested 21,000 loans worth €3.8bn. As of the morning of 1 April, these numbers had increased to 29,000 and €5.2bn, [MoneyVox](#) reported on 1 April.

Monzo CEO foregoes salary for 12 months and offers staff voluntary furlough for two months

Senior management will also take a 25% salary cut in an effort to overcome the economic downturn brought about by the coronavirus pandemic, the [Independent](#) reported on 1 April.

APRA outlines changes in reporting obligations for ADIs and RFCs in response to coronavirus

[APRA](#), 1 April

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Frontline bank workers to get pay top-ups during coronavirus crisis

Permanent TSB has offered to pay a customer support allowance of €50 a day from this week to the end of May to about 700 of mainly lower paid branch and call centre staff – equivalent to almost 30% of its workforce. Bank of Ireland has committed to paying €300 a month to employees who have to travel to a branch, call centre or other location up until the end of June, while AIB has offered a one-off voucher of €250 to all non-management employees of the bank. However, it is understood there is some disquiet at the bank because contract workers in the company are not included in the arrangement, [The Irish Times](#) reported on 1 April.

Goldman gives staff 10 days paid family leave due to coronavirus

[Reuters](#), 31 March

Italian banks will advance up to €1,400 to laid-off employees

This will allow the banks to quickly carry out layoffs arranged before and during the pandemic. Banks will be reimbursed by the Italian public retirement system, [Il Sole 24 Ore](#) reported on 31 March.

AIB criticised for taking bank account fees of up to €100 from coronavirus unemployed

[The Irish News](#), 31 March

European banking supervisors call for moderation on bonuses

[MoneyVox](#), 31 March

Nordic Investment Bank raises €1bn under new coronavirus response bond framework

The Nordic Investment Bank has used capital markets to provide emergency financing in response to the coronavirus crisis. However, rather than selling a conventional or socially responsible bond, the supranational has developed a new framework specially designed to tackle the pandemic, [Global Capital](#) (paywall) reported on 30 March.

UniCredit to offer its shareholder foundations dedicated interest free loans up to the amount of dividends

[UniCredit](#), 29 March

ABN Amro shares computer power in battle against coronavirus

ABN Amro is harnessing its data-driven research lab Dataistic to help scientists conduct research aimed at controlling coronavirus, [Finextra](#) reported on 27 March.

Securities and Exchange Board of India relaxes compliance regulations for mutual funds, AIFs, VCFs, portfolio managers and previously listed circulars

[SEBI](#), 23 – 30 March



Actions to help clients

French insurer Maif will return over €100m to 2.8m insureds for around 3.6m vehicles

This represents almost a year of net income, as in 2018 Maif posted a net profit of around €127m. Since the start of lockdown, the number of claims has dropped by almost 80% compared to a "normal" year. The amount represents around €50 per insured vehicle. The insured will be able to keep this sum, but Maif encourages them to donate it to hospitals or research or to support the community, [RTBF](#) reported on 2 April.

Central Bank of West African States removes fees for electronic payments, among other measures, to discourage use of ATMs and cash

[Setal.net](#), 2 April

By the end of last week, 28,000 mortgage payment breaks had been processed or were being processed, according to Banking and Payments Federation Ireland (BPF)

Lenders have been reallocating up to half their staff in some cases, updating websites and introducing new online facilities to manage the huge volumes of applications and queries they have been receiving, [The Irish Times](#) reported on 1 April.

CaixaBank Asset Management will eliminate redemption fees for Standard, Plus and

Premium fund classes

[Bolsamanía](#), 1 April

NAB to offer emergency business loans as part of government's coronavirus SME guarantee scheme

Businesses can apply for loans of up to A\$250,000 with principal and interest repayments only applying after an initial six-month repayment holiday. NAB's emergency business loan will be offered at a reduced rate of 4.5% for eligible businesses which have an annual turnover of less than A\$50m for a term of up to three years. There will be no broker commissions paid on these new emergency business loans, [AustralianBroker](#) reported on 31 March.

Bank of Italy donates €55m for the coronavirus emergency

[Bank of Italy](#), 31 March

Standard Bank Namibia announces capital and interest repayment holiday for up to 12 months to clients operating in the tourism sector

[AllAfrica](#), 31 March

Dashen Bank contributes 10m Ethiopian birr (\$303,000) for national emergency preparedness fund

[AllAfrica](#), 31 March



United Bank for Africa donates 8.3bn Central African CFA francs (\$13.7m) to help African countries tackle coronavirus

[Gabon Review](#), 30 March

Standard Chartered commits \$1bn in financing to companies tackling coronavirus

Standard Chartered will offer the financing at "preferential rates" to companies that provide goods and services to help the fight against coronavirus, and those planning the switch into making products that are in high demand to fight the global pandemic. These include manufacturers and distributors in the pharmaceutical industry, healthcare providers, and non-medical companies that have volunteered to add goods such as ventilators, face masks, protective equipment and sanitisers to their manufacturing output, [Finextra](#) reported on 30 March.

Heightened risk

European bank stocks suffered their worst month on record in March and US banks had their biggest fall since the 2008-09 financial crisis over fears the coronavirus will cause deep recession and a jump in losses from bad loans

[IFR](#), 1 April

Carrefour Banque raises credit card contactless limit from €50 to €100

The increased limit will only apply in Carrefour stores, [MoneyVox](#) reported on 30 March. [L'Agefi](#) reported on 24 March that in general the contactless limit in France will not increase.

Cyber criminals target Zoom domains

On 30 March, cyber security firm [Check Point](#) reported that its researchers had observed a surge in suspicious Zoom domains as cyber criminals target popular remote working tools.

Financial stability

Brazilian central bank requires banks to carry forward point-of-sale payments to storeowners immediately to decrease time waiting for receivables

[Yahoo](#), 31 March



Fed broadens access to dollars with repo agreement for foreign central banks

The US Federal Reserve has broadened the ability of dozens of foreign central banks to access US dollars during the coronavirus crisis by allowing them to exchange their holdings of US Treasury securities for overnight dollar loans. This “should help support the smooth functioning of the US Treasury market by providing an alternative temporary source of US dollars other than sales of securities in the open market”, in effect giving central banks with less widely traded currencies or more volatile exchange rates a way to access cash from the Fed, [Reuters](#) reported on 31 March.

Brazilian central bank announces R\$1.22trn in resources for banks

[Correio Braziliense](#), 23 March

Brazilian stock exchange performs worst in the world with coronavirus crisis

[Yahoo](#), 23 March

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Coronavirus news round-up

Update: 31 March 2020

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Impact on operations

ING Bank suspends dividend payments

On 30 March, ING Bank announced that it would not pay any dividends until at least 1 October in line with advice from the European Central Bank. The ECB has advised banks to withhold dividend payments and share buybacks and instead use the capital for lending purposes and as a buffer against losses. This follows announcements by UniCredit and Rabobank to also suspend dividend payments and share buybacks for at least six months, reports [Reuters](#).

CFO of Jefferies Group Peg Broadbent dies of coronavirus complications

[FT](#) (paywall), 29 March

Banks to halt planned job cuts during pandemic crisis

Morgan Stanley and Citigroup join several European banks who have pledged not to continue with planned reductions in the workforce during the coronavirus crisis. HSBC Holdings, Lloyds Banking Group and Deutsche Bank previously announced that they would pause job cuts, along with Wells Fargo in the US. Credit Suisse's CEO said that there would not be layoffs because of the virus, while Commerzbank and Société Générale may slow the pace of cuts, [South China Morning Post](#) reported on 27 March.

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Basel III implementation postponed to increase operational capacity of banks and supervisors to respond to Covid-19

[Bank of International Settlements](#), 27 March

UOB Singapore confirms case of Covid-19

On 26 March [United Overseas Bank](#) announced that a non-customer facing employee had tested positive for Covid-19. Other staff members from the same floor are now working from home, or on leave of absence if they had close contact with the infected colleague. The firm stated that it would carry out a deep clean of that floor and any common areas within the building.

CaixaBank cuts dividend in half, CEO renounces bonus

CaixaBank will halve dividend payments to shareholders and adjust its dividend policy for 2020. Additionally, the group's CEO Gonzalo Gortázar will forego his bonus this year as a financial measure to fight the coronavirus crisis. The bank will also reduce its solvency ratio to 11.5% as permitted by the European Central Bank's regulatory flexibility in light of the crisis, [El Mundo](#) reported on 26 March.

Bank of Italy announces closure of some branches

On 26 March the [Bank of Italy](#) announced closure until further notice of its branches in Bergamo, Brescia, Padua and Piacenza.

Actions to help clients

Commonwealth Bank, Westpac suspend electronic payment fees

As part of their efforts to support small businesses as the Covid-19 pandemic continues, Commonwealth Bank of Australia and Westpac have temporarily paused merchant service fees for electronic card payments. Card payment fees can put pressure on small business that are processing more card payments in place of cash due to the coronavirus. CBA CEO Matt Comyn states that around 70,000 small businesses may have their fees automatically waived, and CBA is also waiving terminal rental fees. Westpac will refund terminal fees for up to three months, [iNews](#) reported on 30 March.

BAD secures \$3bn to fight Covid-19 in Africa

The African Development Bank (Banque africaine de développement, BAD) has raised \$3bn through global financial markets through a social bond loan, [Gabon Actu](#) reported on 28 March.

Caixa Econômica Federal may extend mortgage holidays for homeowners

CEF said that mortgage payment holidays may be extended for up to six months if the pandemic continues. More than 800,000 households have already suspended their payments and in the past week the bank loaned more than 20bn Brazilian reais to customers affected by the crisis, [Correio Braziliense](#) reported on 27 March.



Measures taken by the insurance sector include premium suspensions

[FSMA](#), 26 March

DFS issues new regulation requiring New York financial institutions to provide relief to customers affected by Covid-19

On 24 March the [New York State Department of Financial Services](#) issued an emergency regulation for regulated financial institutions requiring firms to provide 90 days relief from residential mortgage payments for any individual who has been affected by Covid-19. Also included in the regulation was a requirement to eliminate ATM fees, overdraft fees, and credit card late payment fees for any individual who demonstrates financial hardship as a result of the pandemic.

Heightened risk

FCA, AMF and ACPR warn against cyber criminals exploiting coronavirus

[Best Execution](#), 27 March

ABN Amro incurs \$200m clearing loss

ABN Amro's clearing business has suffered a \$200m loss due to the collapse of one of its clients in the extreme market volatility caused by the global coronavirus outbreak. The client was US firm trading in US options and futures and failed to meet minimum risk and margin requirements due to the market turmoil. The bank has closed out the positions and will include the loss in its Q1 results, [Reuters](#) reported on 26 March.

Financial stability

SFC to increase monitoring of fund managers

Hong Kong's Securities and Futures Commission has reminded industry participants and intermediaries of their obligations to keep clients' interests in mind given the potential impact of Covid-19 on market volatility. The regulator will step up monitoring activities via heightened reporting requirements and has reminded intermediaries of their obligations to ensure the suitability and timely dissemination of information to clients. SFC CEO Ashley Alder stated that the regulator was focused on "ensuring that the Hong Kong markets stay open and continue to function in a fair and orderly manner" given this historic period of volatility, [Finews Asia](#) reported on 27 March.

Reserve Bank of India cuts interest rates, puts loan payments on hold

The Reserve Bank of India has cut the interest rate to 4.4%, the lowest in 15 years, to protect the Indian economy. The RBI has also reduced the cash reserve ratio required by banks by 100 basis points, and introduced payment holidays of three months on equated monthly instalment payments for all fixed term loans. RBI governor Shaktikanta Das predicts a global recession from which India would not be immune, [Times of India](#) reported on 27 March.



ACPR relaxes reporting dates for the insurance sector

The ACPR has temporarily relaxed submission dates for European prudential reporting statements in accordance with recommendations by the European Insurance and Occupational Pensions Authority published on 20 March, and for additional national requirements.

[ACPR](#), 26 March

Canadian government asks banks and credit card companies to lower interest rates

[Global News](#), 26 March

Capital Markets including all dealers and advisers declared essential services during Covid-19 pandemic

[BCSC](#), 26 March

CMHC to take more mortgages off banks' books to free up cash for loans amid Covid-19 crisis

Taxpayer-funded Canada Mortgage and Housing Corporation is expanding the number of insured mortgages it is willing to buy from banks from C\$50bn to C\$150bn. CMHC backstops most of Canada's housing market by insuring the loans that finance them, which gives banks more freedom to lend out more money to consumers and businesses, [CBC](#) reported on 26 March.

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Impact on operations

Ivorian bank branches amend opening hours to open from 8:00 to 14:00

[Journal du Cameroun](#), 25 March

Banque du Développement du Mali takes measures amid coronavirus pandemic

BDM will, among other measures, limit the number of customers per branch, provide hand sanitiser at branch entrances, provide employees with gloves and masks, and limit meetings to only those strictly necessary, [Niarela](#) reported on 25 March.

Stanbic Bank, First Capital Bank and ZB Bank close branches in Zimbabwe due to Covid-19

ZB Bank said it was mindful that some

customers are not on digital channels and it would make sure those people get the services that they need while ensuring that front office staff have protective clothing. Additionally, Standard Bank said its plans were designed to ensure effective business continuity, the integrity of its systems and processes and the safety and well-being of its staff and customers, including ensuring employees could work from other firm locations or from home depending on business and personal requirements. Standard Bank has also suspended all cross-border travel until further notice, [AllAfrica](#) reported on 25 March.

CMI works to provide electronic payment solutions adapted to the current situation to reduce the risk of exposure to the virus

[1001 infos](#), 25 March

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Fed defies coronavirus to push ahead with stress test

[Risk.net](#) (paywall), 25 March

Banco Santander commits to avoiding long- and short-term layoffs in Spain

[L'Agefi](#) (paywall), 24 March

Coronavirus is testing op risk managers to the limit

Tier-one banks are focusing on the continuity of essential operations, such as payments and trading, and will delay, if need be, non-essential ones to prioritise resources. Some local subsidiaries of international banks have decided to shutter all but non-essential operations for two weeks, [Risk.net](#) reported on 23 March.

Actions to help clients

VTB to restructure loans to customers affected by Covid-19

From 31 March, the bank will delay, change the loan term and lower the rate for borrowers who have taken sick leave due to the virus. VTB has already received appeals from customers and is working on them on a case-by-case basis, [RBC](#) reported on 26 March.

Sberbank will delay payments on loans to companies affected by the virus

The bank will postpone credit payments from Q2 2020 to 1 October. For hotel and retail clients who have suffered the most from the pandemic, the repayment period is postponed until the expiration of the loan agreement. The postponements will affect payments on principal and interest. Sberbank also said that support will be provided to the transport industry, services, construction materials, retail and wholesale of consumer goods, sports, education, and cultural and art institutions, [RBC](#) reported on 25 March.

Crédit Agricole, BNP Paribas and LCL give their masks to healthcare workers

LCL gave 1.7m FFP2 masks to regional health agencies at the start of the week; BNP Paribas has donated 1.5m masks; insurer Klesia group has donated 100,000 masks; and Caisse d'Epargne Ile-de-France has offered 100,000 masks to hospital staff in Ile-de-France, [MoneyVox](#) reported on 25 March.

Angola: Covid-19 – BFA allocates \$5m to purchase biosafety and other equipment to fight against coronavirus

Additionally, Bank of International Trade (BNI) is willing to provide facilities for containment and any cases requiring mild treatment, [AllAfrica](#) reported on 24 March.



Insurers put €200m on the table

The French Insurance Federation (FFA) announced that insurers will contribute €200m to funds supporting SMEs and self-employed workers affected by coronavirus in France, [L'Agefi](#) (paywall) reported on 24 March.

Insurers introduce measures to support businesses

Insurers in France that own real estate as part of their asset management policy will defer rent payments for certain SMEs. Additionally, in cases of vulnerable people unable to work, insurers will provide daily allowances according to existing policies. Insurers will also work on a new insurance product for "major health disasters" to improve insurance cover for businesses, [MoneyVox](#) reported on 24 March.

TD Bank, PC Financial and Scotiabank will not move forward with previously announced plans to raise the interest rate, charge compound interest or hike fees on select personal credit cards

[Global News](#), 24 March

N26 x Headspace — focus on what matters

German neobank [N26](#) announced on 24 March that it is offering certain customers three months of free access to Headspace, a mindfulness and meditation app.

UniCredit announces an extended

emergency package to support families and enterprises

This includes the suspension of mortgage payments on the principal amount for up to 12 months; additional finance, equal to at least 10% on top of the outstanding amount, through debt renegotiation and/or consolidation with the guarantee of the Central Guarantee Fund; suspension of medium-long-term loan payments on the principal amount falling due within three to six months, with an option to extend up to 12 months; extension of credit for imported goods up to 120 days to support working capital management; and granting of temporary liquidity lines with up to six months.

[UniCredit](#), 23 March

Heightened risk

1 in 3 Canadians worry they'll miss rent or mortgage payment due to Covid-19

The virus has caused widespread layoffs and a drastic reduction in the amount of paid work available for those who have kept their jobs, [CBC](#) reported on 25 March.

Bank of Spain indicates that banks will hinder access to credit after Covid-19

[El Economista](#), 25 March



Limit for contactless spending in UK to rise to £45 at beginning of April

Barclaycard, which processes one-third of UK card payments, will prioritise the switch for key retailers such as supermarkets, bakeries, pharmacies and petrol stations. The change is being brought in at unprecedented speed, the [FT](#) (paywall) reported on 24 March. The coronavirus crisis has also resulted in a delay to the rollout of a key anti-fraud measure. The banks were planning to introduce "confirmation of payee" on 1 April, but it will now take place on 30 June, the [Guardian](#) reported on 24 March.

Dutch banks raise contactless limits for PIN entry

With immediate effect, Dutch banks are enabling customers to make more contactless payments in stores without having to enter their PIN, as part of exceptional measures required to prevent the spread of the coronavirus. Norwegian banks have followed suit, the Irish minister for finance has requested that banks increase the limits on contactless payments to €50, and markets including Saudi Arabia, Egypt, Poland and Turkey are taking similar action, [Finextra](#) reported on 20 March.

Madagascar: Mahajanga – Pharmacies and banks stormed

ATMs, bank branches, pharmacies, supermarkets and markets were stormed over the weekend. From the morning of 21 March to 23 March, access to banks was limited, in particular to the Société Générale

branch in Mahajanga, which is to remain open every Saturday. Only 10 people could enter branches at one time, and having to queue for hours caused disorder among customers. Many customers gathered in front of ATMs at BNI Crédit Lyonnais and at SocGen, [AllAfrica](#) reported on 24 March.

Homeworking increases risk of cyberattacks

Many operational risk managers at financial firms point out the heightened risk of fraud, and cyber fraud in general. Security engineers report elevated levels of attacks of every form, the most observable being phishing attempts that play on people's fears or need for information. Moving suddenly to most staff working from home raises both the likelihood and impact of successful cyber events, [Risk.net](#) reported on 23 March. Due to the speed at which firms have required employees to work from home, they may not have adequate cybersecurity measures in place. Many employees connect to their company's data servers from personal computers, which may not have up-to-date security patches. Also, home users commonly do not change the default passwords of routers, which makes them vulnerable, [Grupo Aseguranza](#) reported on 19 March.

Financial stability

Central Bank of Mauritania lowers key rate

[Journal du Cameroun](#), 25 March



Maintaining the supply of credit to companies and households is the primary goal of European and Austrian banking supervision

The European Banking Authority (EBA) confirmed that regulatory leeway should be used in the treatment of non-performing loans. The EBA emphasises that an adequate and consistent identification of non-performing loans is particularly important in the current situation in order to be able to estimate the economic effects of Covid-19 as precisely as possible. At the same time, it explicitly points out the possibility of avoiding a default through consensual changes in loan agreements, the [FMA](#) announced on 25 March.

Corona crisis: BaFin explains changes to regulatory requirements

The financial regulator has adopted many measures to increase the scope for lending and, if necessary, absorb losses. BaFin aims to allow firms to focus on the operational maintenance of their business operations and the granting of loans to the economy. It also advises financial institutions to handle existing capital resources very carefully and strengthen their medium-term view, [BaFin](#) announced on 24 March.

Central Bank of Seychelles cuts interest rates, reserves foreign capital for basic commodities amid Covid-19

A credit facility of approximately \$36m will be set up to assist commercial banks with emergency relief measures to assist businesses and individuals struggling with

the financial impact of the pandemic. Commercial banks, the Development Bank of Seychelles (DBS) and the Seychelles Credit Union have agreed to consider a moratorium of six months on the repayment of principal and interest on loans to assist businesses in impacted sectors and individuals. Banking institutions will also consider their customers' need for restructuring of their loan facilities, which will be assessed on a case-by-case basis, [Seychelles News Agency](#) reported on 24 March.

French banks will grant €300bn in state-guaranteed cash loans to businesses

Loans up to €1.5bn will be guaranteed up to 90% by the State and 10% by banks, loans up to €5bn will be guaranteed up to 80% by the state, and loans for any higher amounts will be guaranteed up to 70% by the state, [Le Monde](#) reported on 24 March.

In Cameroon, bankers seek help from the central bank

The Professional Association of Credit Institutions in Cameroon (Apeccam) recommends that banks postpone repayment of business loans for up to one year; eliminate usual penalties and additional costs; and propose suitable solutions for short-term financing or renegotiation of bank debts. To help this, Apeccam has asked the Bank of Central African States (BEAC) to lower key interest rates to facilitate access to the money market, [Jeune Afrique](#) reported on 24 March.



ASIC recalibrates its regulatory priorities to focus on Covid-19 challenges

The Australian Securities and Investment Commission (ASIC) will focus its regulatory efforts on challenges created by the Covid-19 pandemic. Until at least 30 September, other matters that ASIC will afford priority are where there is the risk of significant consumer harm, serious breaches of the law, risks to market integrity and time-critical matters. ASIC will be mindful that regulated firms may encounter difficulties in complying with their regulatory obligations due to the impact of Covid-19.

[ASIC](#), 23 March

APRA adapts 2020 agenda to prioritise Covid-19 response

The Australian Prudential Regulation Authority (APRA) has suspended most its planned policy and supervision initiatives in response to the impact of Covid-19 to allow APRA-regulated entities to dedicate time and resources to maintaining their operations and supporting customers. APRA's primary supervision focus will be on monitoring the impact of Covid-19 on the financial and operational capacity of regulated institutions.

[APRA](#), 23 March

Bank of Italy suspends time limits in administrative proceedings

[Bank of Italy](#), 23 March

Bankers say discount window is imperfect fix for UST woes

While the eight US global systemically important banks (G-Sibs) jointly agreed to access the Federal Reserve's discount window on 16 March to cope with the Treasury volatility caused by the Coronavirus pandemic, the facility is still not viewed as an optimum source of liquidity. The perceived reputational damage of borrowing at the discount window means banks are reluctant to use it, even in times of crisis. [Risk.net](#) (paywall) reported on 23 March.

Canadian securities regulators publish blanket relief for market participants due to Covid-19

The blanket relief provides a 45-day extension for periodic filings normally required to be made by issuers, investment funds, registrants, certain regulated entities and designated rating organisations on or before 1 June and for certain other requirements outlined in the orders. Market participants need to comply with the conditions in the blanket relief to use the extension, the [BCSC](#) announced on 23 March.



Coronavirus news round-up

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Impact on operations

Lower capital requirements pave way for €1.8 trillion in loans

The ECentral Bank estimates that banks in the euro zone will be able to lend an additional €1.8 trillion by being authorised to operate temporarily below the capital requirements in force in response to the coronavirus crisis, [La Libre](#) reported on 20 March.

Nationwide pulls tracker mortgages after historic base rate cut

On 19 March Nationwide temporarily withdrew all of its tracker mortgage products to new customers due to the historic cut in the base rate to just 0.1%, the [FT](#) (paywall) reports.

Staff express concern as call centres continue to operate

Employees at a Canadian bank said that hundreds of people are working less than a metre apart in some cases, while sharing the same desks, equipment, kitchens, eating areas and washrooms, [CBC](#) reported on 20 March.

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Banks increasingly relying on digital channels but with some changes to operating hours

On 19 March, [MoneyVox](#) reported that customers were experiencing significant delays in response time through banks digital channels. Several online only and traditional banks have also made changes to the hours in which these services are available, and traditional banks are relying on their online/telephone platforms more heavily during the crisis.

Admiral Group delays recruitment and new employee start dates

On 19 March, [Admiral Group](#) announced that it would put some of its recruitment on hold and delay start dates in March and April until further notice. Employees due to start in March and April will still be paid in full from their original start dates.

BAD implements remote working as a preventative measure

African Development Bank (Banque Africaine de Développement, BAD) is introducing measures to prevent the spread of Covid-19, including remote working, videoconferencing, and cancellation of physical meetings and non-essential travel, [AllAfrica](#) reported on 19 March.

ING closes more than half of its branches in Belgium

The bank said that “a careful distribution” had been planned so that customers would not have to travel too far to reach a branch and that it had provided a list of open branches on its website. Customers can now access open branches by appointment only for critical transactions such as money transfers that exceed the limit for digital transactions. ING is allowing one client per branch at a time, [La Libre](#) reported on 19 March.

New York Stock Exchange shuts down floor, goes fully electronic after traders test positive for coronavirus

The New York Stock Exchange (NYSE) will shut down its trading floor and temporarily switch to electronic transactions after several traders were confirmed to carry the coronavirus. Starting on 23 March, all exchanges will be managed electronically, but markets will continue to operate along normal trading hours, [RT](#) reported on 18 March.

French bank unions concerned about conditions for employees

A union for banking and insurance workers in France has re-iterated that employees are facing a risk to their health due to continued contact with the public and in some cases needing to use public transport to commute. Two major banks insist that they have implemented all government advice, [MoneyVox](#) reported on 18 March.



Insurers Maif and Macif announce closure of offices and implementation of remote working

[MoneyVox](#), 17 March

Banks in Asia fire up emergency back-up sites to evade coronavirus

Lenders including HSBC, Citigroup, BNP Paribas, Société Générale and JPMorgan have been dividing their sales and trading teams by sending some of them to back-up locations in Hong Kong and Singapore to minimise disruption. The contingency measures were put in place early on, in February, as organisations recall the 2003 SARS outbreak and its impact, [Nikkei Asian Review](#) reported on 17 March.

CIBC closing some branches, modifying opening hours for others

The bank said 816 of its locations would remain open but operate under modified hours. CIBC also said that any employee affected by the temporary changes would continue to receive their full pay, and that it is introducing assistance for clients impacted by job loss or other circumstances, [CBC](#) reported on 17 March.

Moroccan banks to restrict the number of customers permitted in branch at one time

[Telquel](#), 17 March

Febelfin reports that Belgian banks will operate by appointment only from 18 March

[RTBF](#), 17 March

Gazprombank to introduce health precautions

[Banki.ru](#) reports that from 17 March Gazprombank will put measures in place to protect its employees while still supporting customers. These include remote working, a 30-day quarantine for any employee returning from abroad, temperature monitoring of employees, and distribution of equipment such as masks and thermometers.

Tinkoff bank transitions employees to home working

[Bankir.ru](#), 16 March

Al Barid Bank implements additional measures to prevent spread of Covid-19

As reported by [1001infos](#) on 16 March, Al Barid Bank is introducing further health precautions in line with public health advice. This includes a ban on business travel, self-isolation for employees returning from overseas, and greater usage of video conferencing and remote working.

Brazilian stock market triggers circuit breaker for the fifth time in a fortnight

[O Tempo](#), 16 March



Actions to help clients

VTB plans to give borrowers affected by coronavirus a break of up to three months from loan repayments

[Tass.ru](#), 23 March

Largest Australian banks to allow payment holidays of up to six months on mortgages and small business loans

On 20 March the [Sydney Morning Herald](#) reported that Commonwealth Bank, National Australia Bank, ANZ Bank, Westpac and Macquarie will allow deferrals of up to six months on loans. This is to include up to A\$100bn of small business loans, but also home mortgage payments.

Moroccan Economic Watch Committee relieves SMEs by postponing their bank loan deadlines

[Telquel](#), 19 March

Six largest Canadian financial institutions to provide mortgage relief

TD Bank, Bank of Montreal, CIBC, National Bank of Canada, RBC Royal Bank and Scotiabank will provide deferrals of up to six months on mortgage payments, [CBC](#) reported on 18 March.

Kenyan banks ordered by central bank to allow extensions of up to one year on personal loans

[AllAfrica](#), 18 March

La Banque Postale to allow overdraft arrangements for customers in financial difficulty due to pandemic

[MoneyVox](#), 18 March

Eximbank donates 250m won to support non-profit groups in Daegu

[The Korea Herald](#), 17 March

Payconiq suspends transaction fees for March and April for all merchants

[La Libre](#), 17 March

Febraban announces that customers will have loan payments extended by 60 days

The Brazilian Federation of Banks (Febraban) reported on 16 March that five of the largest Brazilian banks will implement measures announced by the National Monetary Council to allow individuals and small businesses with loans in good standing to extend their term by up to 60 days, according to [Correio Braziliense](#).

BCP Group donates 1bn dirhams to fund intended to manage spread of coronavirus in Morocco

[Telquel](#), 17 March



Heightened risk

The BCEAO will encourage digital payments

The Central Bank of West African States (Banque centrale des Etats de l'Afrique de l'ouest, BCEAO) will enter into negotiations with electronic money issuing companies in order to reduce transaction costs and encourage greater use of digital payment methods, [AllAfrica](#) reported on 21 March.

Australian banks projected to double credit losses

[Finews Asia](#) reported on 18 March that due to impacts on the tourism and education sectors, domestic non-performing loans are set to almost double 2019 levels, reaching 0.3%.

Banks exercising caution with regard to mortgage applications

With jobs in certain sectors such as tourism at risk due to the coronavirus pandemic, banks are becoming less inclined to lend to borrowers in these industries, as reported by [South China Morning Post](#) on 18 March.

Nedbank to deploy digital banking platforms sooner than originally planned

[Jeune Afrique](#), 17 March

Financial stability

Bank of Mozambique announces \$500m line of credit available to financial institutions to support companies and families affected by Covid-19

[Noticias](#), 23 March

Swiss National Bank relaxes constraints on bank capital requirements

[L'Agefi](#) (paywall), 20 March

ECB unveils €750bn bond purchase programme

As part of the Pandemic Emergency Purchase Plan, the ECB will purchase up to €750bn in public and private sector assets up until the end of the year, [L'Agefi](#) reported on 19 March. Short-term purchases could focus on worst hit states such as Italy, and the programme will also include Greek government bonds which were previously not eligible.

French High Council of Financial Stability reduces capital buffer to zero

On 18 March [MoneyVox](#) reported that the High Council of Financial Stability had decided to allow banks to use their entire counter-cyclical capital buffer to lend money to consumers in need, in an attempt to stabilise the economy. Banks were previously required to set aside up to €8bn in total as a capital buffer, which can now be used to grant loans.



AMF temporarily bans short selling for one month

On 17 March the [Autorité des Marchés Financiers](#) (AMF) announced that it would implement a ban on short selling due to the impact of coronavirus on market confidence. Earlier in the day it restricted short selling of 92 shares for that day's session.

ECB has provided more than €109bn of liquidity to banks to support customers through coronavirus pandemic

[MoneyVox](#), 17 March

Reserve Bank of India issues directives aimed at safeguarding the Indian financial system

On 16 March, as reported by the [International Business Times](#), the Reserve Bank of India issued guidelines for financial institutions to maintain stability. These include introducing monitoring mechanisms and prevention of spreading of the virus, encouraging customers to use digital platforms, assessing potential impact on their balance sheet, and establishing a team to provide updates internally and liaise with regulators.

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Coronavirus assistance package

On 18 March [Bendigo and Adelaide Bank](#) announced that Home Loan and Business Loan customers can apply for relief on loans for up to three months; a waiver of fees for the restructuring or consolidation of loans; discounted interest rates on new personal loans taken out by existing Bendigo Bank customers; a waiver of interest rate reduction for early withdrawals on term deposits prior to maturity; and deferral of payments and extensions for Equipment Finance on a case-by-case basis.

Britain's Nationwide opens branches early for elderly during virus outbreak

Nationwide Building Society said it will open 100 of its branches from 08:00 instead of 09:00 GMT for elderly and vulnerable customers during the coronavirus outbreak,

with an option to expand the trial to all 650 branches if effective, [Reuters](#) reported on 16 March.

BIS staff member confirmed with Covid-19 in Basel

An employee at the Bank for International Settlement's Basel headquarters has tested positive for Covid-19. Nine employees who worked in close proximity with the infected employee will work from home temporarily. Since early March, physical meetings scheduled at BIS premises until the end of April have been cancelled or rescheduled and business travel has been cancelled or postponed. Essential meetings are being held via teleconference. Almost all staff are working from home, the [BIS](#) announced on 16 March.

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We're here to support you with your money and your Monzo account during the coronavirus outbreak

We're keeping an eye on the number of questions you're asking us about coronavirus, so we can make sure we have enough staff in the right areas to help you; we have a training and hiring plan in place in case we need to scale up our specialist support teams quickly; and we've updated some of our processes to consider unusual circumstances that might come with the outbreak, [Monzo](#) announced on 16 March.

Federal Reserve actions to support the flow of credit to households and businesses

The US Federal Reserve is encouraging banks to use its "discount window" that provides short-term loans to banks so that they can continue supporting households and businesses. Additionally, it is encouraging banks to use their capital and liquidity buffers in excess of regulatory minimums, built up since the 2007/2008 financial crisis, to support households and businesses in a responsible manner, the [Federal Reserve](#) announced on 15 March.

Caixa and BB will help companies and families

Caixa Econômica Federal and Banco do Brasil announced that they will strengthen their credit lines for individuals and companies, [Correio Braziliense](#) reported on 15 March.

Coordinated central bank action to enhance the provision of US dollar liquidity

The Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank have agreed to lower the pricing and extend the maturity on the standing US dollar liquidity swap arrangements, the [Federal Reserve](#) announced on 15 March.

Financial Services Forum statement on share buybacks

Bank of America, Bank of New York Mellon, Citigroup, Goldman Sachs, JP Morgan Chase, Morgan Stanley, State Street, and Wells Fargo have suspended share buybacks until the end of Q2 2020, the [Financial Services Forum](#) announced on 15 March.

BNPP Fortis branches open in the morning, closed in the afternoon

[La Libre](#) (paywall), 13 March

BaFin asks German banks to prepare for remote working

BaFin asked the country's banks to do everything in their power to enable traders to work remotely, [L'Agefi](#) (paywall) reported on 13 March.



Bank of Norway cuts rates sooner than expected

On 13 March the Bank of Norway cut its key rate by 0.5 points to 1 per cent to counter the economic impact of the Covid-19 pandemic, [MoneyVox](#) reported on 13 March.

US stock market suffers worst crash since 1987

[The Washington Post](#), 13 March

Brazilian stock exchange has worst week since 2008 economic crisis

[O Tempo](#), 13 March

Insurers will face an increase in compensation pay-outs

The global coronavirus epidemic is likely to cause increased claims and large variations in the value of insurance companies' investment portfolios. Certain non-life business lines which cover event and travel cancellations will see an increase in compensation claims, [MoneyVox](#) reported on 12 March.

Corporate credit risk heightens as coronavirus impact spreads

There are asset managers that hold relatively illiquid assets like high-yield bonds or loans, and the risk is that the investors in those asset managers might decide to redeem their shares quickly, [Reuters](#) reported on 12 March.

Lloyd's of London announces coronavirus shutdown simulation

Insurance market Lloyd's of London said it would close the underwriting room at its London headquarters for 24 hours on 13 March to simulate a coronavirus shutdown and test its emergency trading protocols and the resilience of the market. The firm informed relevant regulators and planned to take the opportunity to deep clean its underwriting room and all public areas in the Lloyd's building. Lloyd's also said it would encourage electronic placing to limit person-to-person contact during the coronavirus outbreak, [City A.M.](#) reported on 12 March.

Paris stock exchange experiences worst day in history

[Le Monde](#), 12 March

BBVA activates \$25bn line of credit for SMEs due to the coronavirus

[Expansión](#), 12 March

European Central Bank Banking Supervision provides temporary capital and operational relief in reaction to coronavirus

Banks can fully use capital and liquidity buffers, including Pillar 2 Guidance; banks will benefit from relief in the composition of capital for Pillar 2 Requirements; ECB to consider operational flexibility in the implementation of bank-specific supervisory measures, the [ECB](#) announced on 12 March.



European Banking Authority statement on actions to mitigate the impact of COVID-19 on the EU banking sector

The EBA has decided to postpone the EU-wide stress test exercise to 2021 to allow banks to focus on and ensure continuity of their core operations, including support for their customers, the [EBA](#) announced on 12 March.

BoE makes emergency rate cut to cushion economy

The Bank of England has made an emergency cut to interest rates and incentivised banks to lend more in a wider package of measures designed to counter the shock of the coronavirus outbreak on the UK economy, the [FT](#) (paywall) reported on 11 March.

Krungthai Bank halts FX service at all branches

Krungthai Bank has suspended currency exchange service at all branches and closed its 53 FX booths nationwide until further notice. Staff involved in FX service have been told to self-quarantine at home for 14 days. Similarly, Kasikornbank has halted currency exchange service at all branches and FX booths nationwide indefinitely. Employees working at FX booths that have been closed are instructed to self-quarantine at home for 14 days, [The Nation Thailand](#) reported on 11 March.

National Bank of Belgium offers additional capacity to banks to absorb credit losses due to coronavirus

The National Bank of Belgium has removed the entire countercyclical capital buffer because of the economic challenges of the coronavirus crisis. This makes it possible to make approximately €1bn of capital buffers available to Belgian banks to cover potential credit losses, [RTBF](#) reported on 11 March.

European Banking Federation letter calls for European measures to face COVID-19 outbreak

EBF banks asked regulators and supervisors for immediate decisions to avoid adverse liquidity effects on European businesses and households during the coming weeks; medium-term actions to secure the continuation of credit transmission by banks which enables them to maintain their current prudential robustness over the next six months; and other measures to smooth the prudential effects on banks in the next year, the [EBF](#) announced on 11 March.

Securities and Exchange Commission asks D.C. employees to work from home after coronavirus scare

The SEC required employees working on the ninth floor of its office to stay home and encouraged all others to do the same because of a potential coronavirus case, making it the first major US federal employer to turn to telework to avoid the spreading virus, [the Washington Post](#) reported on 10 March.



Half of ABN AMRO staff working remotely

The bank will divide all teams into two groups which will alternate between working remotely and in the office. Additionally, two main offices in Amsterdam have been divided into two parts, [celebsnet.com](https://www.celebsnet.com) reported on 10 March.

BBVA confirms a case of coronavirus in an employee and closes several spaces in 'City BBVA'

BBVA has closed its Asia Building in City BBVA in Madrid until further notice after an employee tested positive for coronavirus. The bank will preventively close all dining areas and cafeterias in City BBVA, as well as the gym and the nursery. BBVA has also required people considered to be at risk to work remotely and recommended remote working to all central service employees whenever possible, [Expansión](https://www.expansion.com) reported on 10 March.

Banks seek trading rule guidance as coronavirus spreads

Global banks are pushing for guidance from regulators over the exemptions and temporary permissions they will need to

keep their trading businesses open if the coronavirus outbreak forces staff to work from home or triggers a mass quarantine, the [FT](https://www.ft.com) (paywall) reported on 6 March.

Lloyd's of London has emergency coronavirus plan in case building locked down

Lloyd's said its Italian office staff remain on a rota, with around one-third of employees in the office and two-thirds working from home. Its Singapore and Hong Kong offices returned to normal from 2 March, and its Shanghai and Beijing offices are on a phased return to normal operations, [City A.M.](https://www.cityam.com) reported on 4 March.

European Central Bank announces operational precautions linked to coronavirus

All non-essential travel by ECB Executive Board and staff members restricted until 20 April 2020; conferences at the ECB postponed, with exception of monetary policy press conferences; and all non-essential visits including visitor group programme suspended, the [ECB](https://www.ecb.europa.eu) announced on 4 March.

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Coronavirus news round-up

Update: 11 March 2020

This regular update is provided by the [ORX News service](#). It summarises key developments and latest news on the operational risk impacts of coronavirus. We'll be updating this round-up every few days, so [check the webpage](#) regularly for the latest stories and summaries.

RBS to allow customers to defer mortgage payments

RBS will allow borrowers affected by the coronavirus outbreak in the UK to defer mortgage and loan repayments for up to three months. The bank also said savers could close fixed-term savings accounts early with no charge, [BBC](#) reports.

Lloyds offers relief to small firms hit by coronavirus

Lloyds said it would offer £2bn of finance with no fees to affected small firms in the UK, according to [Reuters](#).

Italy to suspend mortgage payments during outbreak

The government has worked with Italian banks to suspend mortgage payments

during the coronavirus outbreak. Italy's banking association said that its members would offer debt moratoriums to small companies and households, as reported by the [FT](#) (paywall).

Santander asks Madrid corporate staff to stay home

Santander has asked employees at its corporate centres in Madrid to work from home, reports the [FT](#) (paywall).

Visa locks down floor in London HQ because of coronavirus exposure risk

Visa is locking down part of an office in London because an employee may have contracted Covid-19. The firm has also implemented enhanced cleaning, according to [Quartz](#).

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HSBC evacuates floor of London office after employee tests positive for COVID-19

[City A.M.](#)

Banks test disaster recovery sites on coronavirus fears

Firms including Goldman Sachs, JPMorgan, Morgan Stanley and Citigroup have tested their disaster recovery sites outside of London in the UK and Manhattan in the US. Some have also installed screens in employees' homes to replicate the trading floor, reports the [FT](#) (paywall).

Five coronavirus cases at Deutsche Bank in Germany

A Deutsche Bank employee working on a trading floor in Frankfurt and four retail staff across the country have tested positive for the coronavirus. Split operations have been put in place in London and Frankfurt, with traders separated and working from different locations. The bank also closed down three branches in Cologne, Detmold and Kempten, one of which reopened after it was deep-cleaned and manned with staff from other branches. More than 30 employees are in quarantine, the [FT](#) reports (paywall).

Insurers will have limited exposure to coronavirus

Communicable disease exclusions in contracts mean that claims will be low. Events cancellation insurance is the exception to this, reports [Bloomberg](#).

Lloyds has shut a call centre in Northern

Ireland that employs 1,000 people after a member of staff tested positive for the virus

[Reuters](#)

ECB tells staff to work from home in coronavirus test

The European Central Bank told most of its over 3,500 staff to work from home on Monday to test how it could cope with a shutdown over coronavirus concerns, [Reuters](#) reports.

KKR shuts London offices after employee tests positive

The private equity firm has closed its London offices after an employee tested positive for coronavirus. Employees will work from home until further notice and there will be a "thorough cleaning" of the firm's two London offices, according to the [FT](#) (paywall).

Central bankers are aligned in coronavirus response

The central banks of Britain, Canada, France, Germany, Italy, Japan and the US have said they will cut interest rates to support their economies, [The New York Times](#) reports.



Global stocks have tumbled with the spread of coronavirus

Notably, airline stocks have fallen, [MarketWatch](#) reports. Additionally, the S&P 500 fell more than 7% at the open, triggering circuit breakers that led the New York Stock Exchange to halt all market trading for 15 minutes, as reported by [CNBC](#). As well as coronavirus fears, this is also down to a price war between global oil producers, which has caused oil bonds to plummet, reports [MarketWatch](#).

South Korea to clamp down on short-selling

South Korea will limit short-selling of equities after the country's stock exchange saw one of its worst days of investor outflows ever recorded, reports the [FT](#) (paywall).

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Coronavirus news round-up

Update: 4 March 2020

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HSBC and Standard Chartered among Hong Kong banks to waive fees, cut loan repayments

Hong Kong firms are taking action to help small businesses, individuals struggling amid outbreak, according to the [South China Morning Post](#).

Retail branches shut in Northern Italy

Bper closes Codogno and Sesto San Giovanni branches due to Corona virus reports [Adnkronos](#).

Wall Street banks planning to separate Tokyo teams on virus fears

Tokyo offices of US firms are planning for the physical segregation of teams in an

effort to contain any intra-company epidemic according to the [FT](#) (paywall).

Some branches in South Korea shut temporarily

Several retail banks in South Korea have closed for a short period last week after positive tests for Coronavirus from people in the same building or from customers that visited the branch, reports Korea [JoongAng Daily](#).

The trading house Mitsubishi has told its entire Japanese workforce of 3,800 people to work from home

[FT](#) (Paywall).

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