

# RISKCHECK

March 2022

## LATEST NEWS ON OPERATIONAL RISK

[explore@benchmatrix.com](mailto:explore@benchmatrix.com) | [www.benchmatrix.com](http://www.benchmatrix.com)



# SUMMARY OF NEWS

1. The State Bank of Pakistan (SBP) has come up with a new measure to help banks achieve their mandatory targets for housing and construction financing.
2. Man jailed for robbing same NatWest bank twice after threatening to shoot terrified cashier.
3. The Central Bureau of Investigation (CBI) on Thursday said that it recently questioned Rishi Agarwal, former chairman and managing director of ABG Shipyard Limited, in connection with its probe into the ₹ 22,848 crore alleged banking fraud, said to be India's biggest.
4. The loss-absorbing capacity of banks in the country remains strong, with excess capital buffers of RM131.9 billion as of January
5. Britain will lock Russia's Sberbank (SBER.MM) out of sterling clearing and slap sanctions on three other banks, Foreign Secretary Liz Truss said on Monday, adding there would be a full asset freeze on Russian lenders within days.
6. CIMB Group Holdings Bhd said it incurred a credit loss of 280.9 million ringgit (\$91 million) in 2021, from a processing error that led to excess funds being deposited in some customer accounts..
7. Singapore will strengthen its current system of taxes even as it continues to study the experiences of other countries and explores options to tax wealth effectively, as announced in Budget 2022 on Friday (Feb 18)
8. The Australian and New Zealand dollars took a knock on Monday as the escalating crisis in Ukraine clouded the outlook for global growth and inflation, overshadowing strength in Australian economic data.
9. Saudi Arabia transferred a \$80 billion stake in Aramco to the kingdom's sovereign wealth fund, boosting its assets ahead of plans to tap debt markets for the first time.
10. The European Central Bank is telling euro zone banks zone to step up their defenses against cyber attacks, also in the context of geopolitical tensions such as the stand-off between Russia and Ukraine.
11. Australia's central bank is shaking up the way it provides liquidity to the banking system as it ceases quantitative easing and prepares for the day when it will eventually raise interest rates.
12. Bahrain's banking sector is placing a large focus on digital transformation, Bahrain unveiled a new economic growth plan targeting \$30 billion of investments as it looks to shore up its economy from the repercussions of the pandemic and balance its budget by 2024.
13. Massive Credit Suisse leak reportedly reveals possible criminal ties among 18,000 accounts.
14. Crypto start-up Alchemy tops \$10 billion valuation amid block chain funding frenzy.
15. Inflation in the Eurozone soared to a new record high in January, official data showed Wednesday, adding pressure on the European Central Bank (ECB) ahead of a monetary policy meeting this week.
16. Western nations agreed to unleash new sanctions to further isolate Russia's economy and financial system after initial penalties failed to persuade President Vladimir Putin to pull out of Ukraine.
17. Europe's stock markets sank Monday after world powers imposed fresh sanctions on Russia over its invasion of Ukraine, while President Vladimir Putin put nuclear forces on a higher alert.
18. Goldman Sachs Group became the latest bank to be investigated over employees communicating using messaging services that aren't approved by the companies.
19. The Federal Reserve needs to accelerate the pace of interest rate increases to fight rising inflation, but can do so in a way that doesn't roil financial markets, St. Louis Fed President James Bullard said Monday.
20. Germany's financial watchdog BaFin said on Thursday that it planned to clamp down on the marketing, distribution and sale of futures products with additional payment obligations.

# OPERATIONAL RISK NEWS

## SBP reviews home loan targets for banks

*Feb 27<sup>th</sup>, 2022* – SBP set mandatory targets that required the lenders to extend mortgages and financing to developers and builders. It required the banks to increase their housing and construction loan portfolios to at least five per cent of their total private-sector credit by Dec 2021.

## Man jailed for robbing same NatWest bank twice after threatening to shoot terrified cashier

*Feb 1<sup>st</sup>, 2022* – Anthony Horrocks, 47, of no fixed address, stole £2,720 from the NatWest branch on Melbourne Street in Stalybridge, Greater Manchester on 20 September last year.

## ABG Shipyard: All You Need to Know about ₹ 23,000 Crore Loan Scam

*Feb 18<sup>th</sup>, 2022* - The Central Bureau of Investigation (CBI) on Thursday said that it recently questioned Rishi Agarwal, former chairman and managing director of ABG Shipyard Limited, in connection with its probe into the ₹ 22,848 crore alleged banking fraud, said to be India's biggest. Sources said the agency searched his house on Saturday after which summons were issued.

## BNM: Banks' loss-absorbing capacity remains strong

*Feb 28<sup>th</sup>, 2022* - *The loss-absorbing capacity of banks in the country remains strong, with excess capital buffers of RM131.9 billion as of January 2022, Bank Negara Malaysia (BNM) said today.*

## UK announces fresh sanctions on Russian banks

*Feb 22<sup>th</sup>, 2022* - Britain will lock Russia's Sberbank (SBER.MM) out of sterling clearing and slap sanctions on three other banks, Foreign Secretary Liz Truss said on Monday, adding there would be a full asset freeze on Russian lenders within days.

## CIMB suffers RM280 million 'credit loss' from duplicate payments

*Feb 28<sup>th</sup>, 2022* – CIMB Group Holdings Bhd said it incurred a credit loss of 280.9 million ringgit (\$91 million) in 2021, from a processing error that led to excess funds being deposited in some customer accounts.

## Budget 2022: Quick takes on corporate and personal income taxes

*Feb 18<sup>th</sup>, 2022* - Singapore will strengthen its current system of taxes even as it continues to study the experiences of other countries and explores options to tax wealth effectively, as announced in Budget 2022 on Friday (Feb 18).

## Australian, New Zealand dollars worn down by geopolitical risk

*Feb 28<sup>h</sup>, 2022* - The Australian and New Zealand dollars took a knock on Monday as the escalating crisis in Ukraine clouded the outlook for global growth and inflation, overshadowing strength in Australian economic data.

## Saudi Arabia Moves \$80 Billion Aramco Stake to Wealth Fund

*Feb 13<sup>th</sup>, 2022* - Saudi Arabia transferred a \$80 billion stake in Aramco to the kingdom's sovereign wealth fund, boosting its assets ahead of plans to tap debt markets for the first time.

## ECB tells banks to step up defenses against hacks

*Feb 11<sup>th</sup>, 2022*– The European Central Bank is telling euro zone banks zone to step up their defenses against cyber attacks, also in the context of geopolitical tensions such as the stand-off between Russia and Ukraine, the ECB's top supervisor said on Thursday.

# OPERATIONAL RISK NEWS

## Australia's central bank to rejig market liquidity operations

Feb 22<sup>nd</sup>, 2022 - Australia's central bank is shaking up the way it provides liquidity to the banking system as it ceases quantitative easing and prepares for the day when it will eventually raise interest rates.

## How NBB is leading the digitization of Bahrain's banking sector

Feb 08<sup>th</sup>, 2022- Bahrain unveiled a new economic growth plan targeting \$30 billion of investments as it looks to shore up its economy from the repercussions of the pandemic and balance its budget by 2024.

## Massive Credit Suisse leak reportedly reveals possible criminal ties among 18,000 accounts

Feb 20<sup>th</sup>, 2022 – Credit Suisse was scrambling Sunday to contain the fallout from its latest scandal after several newspapers reported that more than 18,000 leaked accounts showed that criminals, alleged human rights abusers and sanctioned individuals had been clients of the Swiss bank.

## Crypto start-up Alchemy tops \$10 billion valuation amid block chain funding frenzy

Feb 8<sup>th</sup>, 2022 – Less than four months after its last funding round, San Francisco-based Alchemy raised another \$200 million investment led by Light speed and Silver Lake

## Eurozone inflation rises to new record high

Feb 2<sup>nd</sup>, 2022 – Inflation in the Eurozone soared to a new record high in January, official data showed Wednesday, adding pressure on the European Central Bank (ECB) ahead of a monetary policy meeting this week.

## US, Europe cut some Russian banks from Swift payment system

Feb 27<sup>th</sup>, 2022 - A decision by Western nations to exclude some Russian banks from the SWIFT messaging system, used for trillions of dollars worth of transactions between banks around the world, was announced in a joint statement on Saturday.

## Ukraine crisis: European stock markets sink at open

Feb 28<sup>th</sup>, 2022 - Europe's stock markets sank Monday after world powers imposed fresh sanctions on Russia over its invasion of Ukraine, while President Vladimir Putin put nuclear forces on a higher alert.

## Goldman probed by SEC over messages sent using unapproved services

Feb 26<sup>th</sup>, 2022 - Goldman Sachs Group became the latest bank to be investigated over employees communicating using messaging services that aren't approved by the companies.

## High US inflation puts Fed's credibility 'on the line': Bullard

Feb 14<sup>th</sup>, 2022 - Bullard, a voting member of the Fed's policy-setting committee, caused a sharp reaction by markets last week with similar comments on the need to remove stimulus from the economy provided during the Covid-19 pandemic.

## Germany's BaFin to ban sale of some futures products to retail clients

Feb 17<sup>th</sup>, 2022 - Germany's financial watchdog BaFin said on Thursday that it planned to clamp down on the marketing, distribution and sale of futures products with additional payment obligations.

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## RISKCHECK

RiskCheck Operational Risk newsletter is published monthly. It keeps you abreast with the latest news, events and external risk exposures which could potentially impact your organization. Both national as well as international potentially high risk events are covered in this newsletter.

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For more information, please contact:

Tel: (+92 21) 3562-0945

Email: [explore@benchmatrix.com](mailto:explore@benchmatrix.com)

*Sources: Reuters, New York Times, The International News, BBC, Dawn News, Business Recorder, Tribune, The Nation, American Banker, Belleville News-Democrat, Bank for International Settlements, Harvard Business Review, Federal Reserve, Telegraph, Norman Transcript, Indian Express, Buffalo News, US news, Ottawa Citizen, LA Times, Chicago Tribune and ABC.*

## CONTACT US

### Head Office, Bahrain

Office 63, Building 2317,  
Road 2830, Block 428, Al Seef,  
Manama, Kingdom of Bahrain  
E: [waqas.alam@benchmatrix.com](mailto:waqas.alam@benchmatrix.com)  
M: +973 3513 9689

### Pakistan Office

A301-4, 3rd Floor, Lakson Square  
Building # 3, Sarwar Shaheed Road,  
Karachi, Pakistan  
E: [taimur.kaleem@benchmatrix.com](mailto:taimur.kaleem@benchmatrix.com)  
M: +92 332 5432689

### Canada Office

53 Village Center Place,  
Mississauga, ON, Canada  
E: [noman.zahid@benchmatrix.com](mailto:noman.zahid@benchmatrix.com)  
M: + 1 (647) 546-1985

### UAE Office

Prime Tower office #53 20 floor,  
Business Bay Dubai, United Arab  
Emirates.  
E: [asad.ali@benchmatrix.com](mailto:asad.ali@benchmatrix.com)  
M: +971 50 8508325

### Kingdom of Saudia Arabia Office

2839 Sufayyah bint Abdulmutalib Street,  
Alnaeem district, Zipcode 23621,  
Jeddah, Saudi Arabia  
E: [sultan.malki@benchmatrix.ca](mailto:sultan.malki@benchmatrix.ca)  
M: +966 50 666 0202

### Kuwait Office

E: [nadeem.mukaddam@benchmatrix.com](mailto:nadeem.mukaddam@benchmatrix.com)  
M: +965 9406 7607

### Algeria Office

E: [imed.ouitis@benchmatrix.com](mailto:imed.ouitis@benchmatrix.com)  
M: +213 7714 78444