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**KBC Customers Save
Time and Earn Money**



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WELCOME

WELCOME TO THE WINTER 2025 issue of *International Banker*.

Every bank is entrusted with serving the interests of its stakeholders, but few have succeeded as well as Belgium's KBC Group. Chief Executive Officer Johan Thijs explains how KBC's STEM ecosystem is saving customers time and earning them money through digital dynamism such as its artificial-intelligence assistant, Kate.

KBC is one of several European banks that enjoyed strong revenue growth as 2024 wrapped up. Kat Kravtsov examines the rebound in Europe's pivotal market for initial public offerings. In response to digital advances, European regulatory actions, such as the Digital Operational Resilience Act (DORA), have also been on the upswing. The effects of these regulatory initiatives, including the Markets in Crypto-Assets Regulation (MiCA), have extended beyond European borders. Caroline D. Pham proposes that the United States doesn't need its own version of the MiCA but rather a simple market regulated by existing US legislation revamped for crypto-assets.

In the United States, the Trump 2.0 administration is in full swing, promising to transform the federal government, the domestic economy and US trade relations. Marco Annunziata discusses four areas—tariffs, immigration, deregulation and fiscal policy—that could result in promising or perilous results. Dr. Constantin Gurdgiev explores the administration's approach to economic sanctions, which currently seem to be among the few issues to be left unchanged, even though they have not always produced the intended outcomes. Philip Marey warns of a potential battle brewing in Washington, D.C., between President Trump and Federal Reserve Chair Jerome Powell over the direction of interest rates should inflation rise. Scott O'Malia contends

that the pending US Basel III Endgame, aiming for stricter capital requirements for banks, must be recalibrated to achieve the appropriate risk-based balance to support the smooth functioning of banks and capital markets. Dr. Swati Bhatt studies the influences of technologies such as artificial intelligence on startup activities in specific geographical regions of the United States over a 10-year period, while William C. Handorf probes the correlations between interest-rate fluctuations and the US banking sector's financial metrics over an 18-year period. Ken Simonson assesses the mixed outlook for the US construction industry for 2025 amid prevailing uncertainties.

How will Donald Trump's second term as president affect the United States' neighbours? Dr. Rodrigo Caputo dives into the likely effects of the president's protectionist trade policies on Latin American economies. William F. Maloney asserts that to navigate unpredictable times, Latin America and the Caribbean must boost their reform efforts to exploit opportunities as they arise. Dr. Rafael Amiel cautions that, overall, the Latin American region will experience subdued economic growth over the next few months. Many economists hope that advances in artificial intelligence will rectify the factors limiting the region's productivity and rekindle growth, but Dalton Gardimam maintains that Latin America's deep-rooted deficiencies must first be addressed. Despite obstacles, companies in the region offer investors profitable equity opportunities. Dr. Miguel Moreno Tripp advises international investors on how to reach accurate valuations of private companies in Mexico. Dr. Nelmar Arbx demonstrates the benefits—environmental and financial—of regenerating Latin America's degraded ecosystems. Sometimes, financial institutions find themselves embroiled in costly litigations, but as Maria Paula Bertran shows, financial-technology firms in Brazil are less

frequently litigants in consumer lawsuits than traditional banks.

China's economy and banking sector continue to advance, backed by governmental monetary and fiscal support. Dr. Xu Hu offers an overview of China's progress in financial inclusion over the past decade. Adriana Hoyos reviews the success of artificial intelligence in fostering financial inclusion and equality worldwide despite fundamental obstacles. Alenka Grealish outlines the steps banks should take to integrate generative artificial intelligence into their operations. Anand Thirunellai Radhakrishnan hones in on GenAI's contributions to expediting financial companies' corporate credit assessments. Salvatore Cantale and Peter Nathaniel consider the role of bank boards in managing technology solutions for short- and long-term objectives, while Byron Loflin delves into how bank boards and management should strive to achieve the correct balance between confidence and accountability to gain stakeholders' trust. Well-managed compliance programmes build trust, but unfortunately, as Ross Marrazzo illustrates, they sometimes contract diseases, which must be resolved before they spread.

This time of year, many yearn to escape the everyday routine. Our travel feature explores South Africa, where adventures of every variety abound, accompanied by lavish accommodations. In Portugal, Ombria Algarve proves that sustainability and luxury can coexist in complete harmony, as João Richard Costa exhibits. Visiting South Africa, Portugal or anywhere else can be perfected by driving one of two hypercars: the Aston Martin Valhalla or the Mercedes-AMG PureSpeed. The Valhalla, a hybrid, establishes that sustainability and road power are totally compatible, while the open-air PureSpeed takes enjoyment of the surrounding environs to the max. «



CAROLINE D. PHAM

The Honorable Caroline D. Pham is the Acting Chairman of the Commodity Futures Trading Commission and has been a member of the Commission since 2023. Pham is an internationally recognized leader in strategy and innovation, with deep expertise in capital markets and regulatory policies. Pham was a Managing Director at Citic with global senior executive roles in the chief administrative office, institutional clients group and legal department.



SCOTT O'MALIA

Scott O'Malia has been the Chief Executive Officer of the International Swaps and Derivatives Association since August 2014. Prior to joining the ISDA, Scott served as the Commissioner of the Commodity Futures Trading Commission. Before that, he had a distinguished career spanning 15 years in the United States Senate.



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Byron Loflin is the Vice President and Global Head of Board Advisory at Nasdaq, where he leads the governance team in driving board and governance effectiveness. Byron founded the Center for Board Excellence in 2010 and was the CEO until it was acquired by Nasdaq in 2019. Between 1992 and 2009, Byron was the CEO and President of two private companies.



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Marco Annunziata is a Co-Founder of Annunziata + Desai Advisors and a Visiting Professor at Singapore Management University. He is a Member of the Board of Advisors on Information Technology of Japan's Ministry of Economy, Trade and Industry. Marco is a former Chief Economist and Head of Business Innovations Strategy at General Electric.



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William C. Handorf, Ph.D., is a Professor of Finance, Banking and Real Estate at the George Washington University School of Business. Over the course of his almost 60 years in the banking industry and 50 years as an academic, he recently completed his 17-year term as a Director, Vice-Chair and Committee Chair of a U.S. Securities and Exchange Commission registered bank in Atlanta, Georgia.



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Salvatore Cantale is a Professor of Finance at the International Institute for Management Development and specializes in the intersection of strategy, business models and finance. He leads IMD flagship programmes such as Finance for Boards, Strategic Finance and Driving Sustainability from the Boardroom. A seasoned consultant for global firms, he addresses boards on topics such as finance, banking and sustainability.



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Peter Nathaniel is an Executive in Residence at the International Institute for Management Development, the former Group Chief Risk Officer and a Member of the Executive Committee of the Royal Bank of Scotland Group and the former Head of Global Risk Oversight at Citigroup. He is also a former Adjunct Professor of Finance at INSEAD and a Co-founder of INSEAD's certification programme for boards of directors.



DALTON GARDIMAM

Dalton Gardimam is the Chief Economist of Ágora Investimentos. With 29 years of experience in the Latin American financial market, he previously served as the Chief Economist at Deutsche Bank in Brazil, Credit Agricole, Crédit Lyonnais and Crédit Lyonnais Securities Asia. He has also worked as a Senior Economist in the economic area of Uibancor.



KEN SIMONSON

Ken Simonson has been the Chief Economist of the Associated General Contractors of America, the leading trade association for the construction industry in the United States, since 2001. Fellow and past President of the National Association for Business Economics, Simonson holds a Master of Arts in Economics from Northwestern University.



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Dr. Rafael Amiel is an Economics Director in the Insight and Analysis Group for S&P Global Market Intelligence. He brings 25 years of international experience in macroeconomic and sovereign-risk analysis of Latin America. Prior to joining S&P Global and legacy companies, Amiel was the Head of the Economic Unit for Hamilton Bank, assessing sovereign risks for Latin American countries.



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Dr. Rodrigo Caputo is an Associate Professor in the Faculty of Economics at the Universidad de Santiago de Chile. He was a Research Associate at the Centre for Experimental Social Sciences, Nuffield College, University of Oxford. He holds a Ph.D. in Economics from the University of Cambridge.



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William F. Maloney is the Chief Economist for the Latin America and Caribbean region at the World Bank. Maloney joined the Bank in 1998 and has held various positions, including Lead Economist in the Office of the Chief Economist for Latin America, Lead Economist in the Development Economics Research Group and Chief Economist for Trade and Competitiveness.



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Dr. Xu Hu is the Head of Research at the Chinese Academy of Financial Inclusion. Before joining CAFI, Dr. Hu was the Deputy Head of Research at Ping An Digital Economic Research Center, where he led the team providing artificial intelligence and big data-driven research to empower Ping An's financial-services ecosystem.



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Ross Marrazzo is a Senior Advisor with Nomura Research Institute America, Inc. His 40 years of consulting experience includes overseeing multiple independent consultancies and memberships for the Federal Reserve System, the Office of the Comptroller of the Currency, the New York Department of Financial Services and the United States Department of Justice.



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Dr. Constantin Gurdgiev is an Associate Professor of Finance at the Monfort College of Business, University of Northern Colorado, and a Visiting Assistant Professor at Trinity College Dublin in Ireland. His academic research is concentrated in the fields of international investment markets, geopolitical and geoeconomic risks, and conflict finance.



SWATI BHATT

Dr. Swati Bhatt, Ph.D., Princeton University, 1986) has been on Princeton's Economics faculty since 1992. Her research interests include the economics of digitization and industrial organisation with a focus on the technology industry. Previously, she worked for the Federal Reserve Bank of New York and taught at the New York University Stern School of Business.



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Adriana Hoyos is a Professor of AI Economics & Digital Ecosystems at IE University and a Senior Fellow at Harvard University. In her executive roles, she has served as the Chief Executive Officer and Board Member of the Women's World Bank Co., worked in corporate banking at Citibank and has extensive experience serving on various boards.



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Anand Thirunellai Radhakrishnan is the Senior Director and Industry Practice Lead at Moody's. With more than 22 years of experience in risk analytics, artificial intelligence and machine learning, Anand has worked with both financial institutions and consulting firms globally.



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Kat Kravtsov is a Director of the Capital Markets team of PwC UK with more than 15 years of investment banking and capital-market advisory experience, having previously worked with UBS and Goldman Sachs Equity Capital Markets teams in London.



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Dr. Miguel Moreno Tripp, Ph.D., has been a Professor at EGADE Business School since 2011 and at Monterrey Institute of Technology and Higher Education since 1998. He is also a Partner at Crow Global, where he manages the Global Corporate Advisory practice. For more than 10 years, he worked at Grupo Financiero Santander.



JOÃO RICHARD COSTA

João Richard Costa is the Chief Commercial Officer of Ombria Algarve in Portugal. With degrees in business and marketing, as well as more than two decades of experience representing some of the finest international real-estate projects—both residential and mixed-use—João has established himself as a trusted expert in this field.



WRITTEN BY

João Richard Costa, Chief Commercial Officer, Ombria Algarve

Building a Greener Future: Why Forward-Thinking Property Investors Prioritise Sustainability



Ombria Algarve
© James Hogg

SOCIETY'S GROWING AWARENESS OF AND commitment to a greener way of living creates ripple behavioural effects on consumers but also on investors, who favour eco-friendly or sustainable assets to future-proof their portfolios. Real estate, therefore, remains a key investment vehicle for many. In a recent market-trends report¹, published in the fourth quarter of 2024, Savills projected global real-estate investment to rise by 7 percent to US\$952 billion in 2025.

Is there really more demand for sustainable assets and properties?

Some of the world's leading institutes conduct rigorous research to determine the impact sustainability is having on investment strategies. In their "Sustainable Signals" report, published in 2024, the Morgan Stanley Institute for Sustainable Investing and Morgan Stanley Wealth Management found that 57 percent of individual investors believed their interest in sustainable investments had increased in the previous two years, while more than 70 percent agreed that strong ESG (environmental, social and governance) practices could lead to higher returns.

Findings from property-services company JLL, published in the second half of 2024, confirmed that properties with green credentials generated more occupier demand and achieved greater rental premiums globally.

This argument is further supported by the latest annual "Property Investor Report" by Handelsbanken (based on exclusive insights from property investors in the United Kingdom with an average of 35 properties each)², which claimed that the average value of annual budgets set aside for green investments across commercial and residential portfolios rose from £106,222 in 2023 to £128,000 in 2024—an increase of more than 20 percent. Buy-to-let investors, who are facing challenges such as tax changes, are especially keen to keep their property portfolios relevant to attract tenants and increase their returns on investment (ROIs).

Here at luxury, sustainable development Ombria Algarve in Portugal, we have seen



drastic changes in buyer priorities over the past few years as consumers have become increasingly aware of the environmental challenges our planet is facing. As such, the majority of our buyers put greater emphasis on sustainability, which results in a number of positive side effects.

First and foremost, properties with good eco-credentials are a better choice for the world's environmental health. Secondly, with the steady increase of eco-conscious travellers, second-home owners are more likely to attract holidaymakers to their abodes and therefore boost their rental incomes. Thirdly, the running costs are relatively lower. For example, Ombria

incorporates energy-saving lights as well as solar and geothermal energy.

How lenders are adapting

The introduction of green mortgages continues to play an important role in the shift towards sustainable homes. In the UK, the concept of green mortgages was initially introduced in 2017 and formed part of the government's Clean Growth Strategy.

As readers of *International Banker* magazine will know, green mortgages give borrowers preferential terms, such as lower interest rates or increased loan amounts, if the funds are utilised to invest in a new green building or add green features to an existing one.



Ombria Algarve
© Jansen-Rogg

After the initial concept was launched, the number of green-mortgage products in the UK grew substantially from 4 products in 2019 to more than 60 in 2024. But it's not only the UK that has seen growth in this sector. Green mortgages have also been made available in countries such as Portugal, Germany, Finland, France, Ireland and the Netherlands, to name just a few.

How developers are reacting

Whilst the world's property markets are as diverse as can be, the global objective for a greener future has triggered a shift towards a common goal: to put the creation and evolution of sustainable homes at the forefront of construction.

In Portugal, our relationship with eco-friendly construction methods goes back centuries, as traditional homes, made from local materials, already displayed an understanding and respect for the environment. Whilst the use of local materials remains a focus, modern technology has allowed architects to create a new generation of sustainable homes.

It is important to remember that sustainable properties go beyond financial gains. At Ombria Algarve, we pride ourselves on supporting the local flora and fauna as well as the well-being of our buyers and residents. Our properties are convincing with their sustainable features, but they



© Letícia Ciglitli

are completed with amenities that support a balanced lifestyle that is in harmony with nature.

Ombria Algarve is situated in a tranquil countryside setting, two kilometres from one of the Algarve's largest nature reserves and seven kilometres north of the market town of Loulé, with Faro Airport and the beaches a mere 25-minute drive away.

In October 2024, the resort celebrated the official opening of its 5-star hotel, Viceroy at Ombria Algarve, giving guests and property owners access to 76 beautifully appointed hotel rooms, 65 branded residences and a selection of onsite amenities. This includes its 18-hole golf course, built according to the highest standards of environmental sustainability and certified by the GEO Foundation for Sustainable Golf (a non-profit organisation that is dedicated to sustainable golf) in recognition of its environmental and social excellence.

But Ombria Algarve's dedication to the health of the local land and ecosystem goes further. A plant nursery will support the development and growth of local species and the preservation of the existing flora and fauna, whilst more than 700 oak trees have been planted and 1,800 linear metres of river habitat restored.



Alcedo Villas

To ensure our commitment to sustainability is incorporated into Ombria's architecture, we partnered with WATG (Wimberly, Allison, Tong & Goo) for the landscape architecture as well as WATG's interior-design firm Wimberly Interiors and award-winning Portuguese architecture firm Promontorio. True to our slogan, "Carved by Nature", Ombria's design features bioclimatic architecture, local materials and geothermal energy whilst focusing on low building density to integrate the properties into nature perfectly.

João Perloiro, founding partner of Promontorio, said, "Bioclimatic architecture is the way of design taking advantage of the local climate and resources. The aim is to ensure thermal comfort by using the environmental local conditions, while minimising energy consumption and environmental impact.

"There has been a growing emphasis on sustainable building practices in Portugal, aligned with the country's commitment to EU sustainability goals. Ombria's holistic approach and adherence to high sustainability standards make it a notable example of bioclimatic architecture at a larger scale. It encourages further development in the region and contributes to a shift towards sustainable building practices."



With only a few of the 65 Viceroy Residences available for sale, investors have already begun reserving homes at Oriole Village—a collection of 83 villas, townhouses and apartments that also form part of Ombria's first building phase and will also be operated by Viceroy Hotels & Resorts. Ownership at Viceroy Residences and Oriole Village both come with various advantages and discounts on the golf course as well as at the hotel facilities.

The remaining Viceroy Residences start from €782,000 for a spacious, fully-furnished one-bed apartment with full access

to all the hotel facilities and amenities. Properties at Oriole Village will be launching during 2025 and buyers who are seeking a more bespoke property, can also discover Alcedo Villas—a collection of 12 modern hilltop villas with stunning views of the golf course, featuring tailorable bioclimatic architecture to give owners the chance to create their one-of-a-kind dream home. «

For more information, please visit www.ombria.com.

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