

## Choose NC interviews Mr. Edouard Wong Fat, President of the French Banking Federation (FBF) in New Caledonia

The French Banking Federation (FBF) is the professional organization that represents all the banks established in France. It has 340 members, French and foreign, (115 subsidiaries or branches of foreign banks).



### \_\_What is your role in New Caledonia?

The role of the FBF in NC is to promote banking activity and to relay the standards, best practices and recommendations of the profession to the New Caledonian market. In addition, it defines the positions and proposals of the banking sector to be submitted to the public authorities and to players in the economic and financial world. Moreover, it has the general duty of informing member banks and economic players.

\_\_4 banks are part of a local committee of the French Banking Federation (FBF): the Caledonian Investment Bank (BCI), the Société Générale Calédonienne de Banque, the BNP Paribas Nouvelle Calédonie and the Banque de Nouvelle Calédonie (BNC). What is the current situation of the banking sector in New Caledonia, challenges and opportunities?

In a Caledonian environment, more than ever marked by uncertainties, (political, economic, institutional, on fiscal deficits, on fiscal developments, etc.), an economic slowdown, a market contraction (10,000 fewer consumers in 5 years, few large projects) and a strengthening of regulatory constraints on the profession, the small size of the Caledonian market is becoming an increasingly penalizing variable. The main challenge therefore lies in adjusting our

models in order to obtain an acceptable operating cost structure.

If the efforts to transform and diversify the Caledonian economy by public and private players continues, there will be a real driver of growth, diversification and opportunities. The digital revolution will be at the heart of this development.

Finally, banks now have more modern and less expensive access to liquidity, thanks to the refinancing lines implemented by the Institut d'émission d'Outre-Mer (IEOM) which acts as a central bank. They are therefore ready to finance the Caledonian economy under good conditions.

\_\_As chairman of the New Caledonian banking committee, what are your main objectives and priorities for 2021?

The management of the health crisis and its impacts is the main priority of the FBF and its members. It is essential to ensure the continuity of banking services in order to provide our clients with the best possible support, while protecting their health and that of our colleagues.

At the regulatory level, the application of the HCSF (High Council for Financial Stability) regulations, which governs the territory on the maximum effort rate that needs to



be respected when implementing real estate loans to individual clienteles, becomes a major issue in terms of access to homeownership.

The FBF in New Caledonia will have to be vigilant and ensure that the application of this new standard has the expected effects, without having a heavy impact on the Caledonian economy.

Finally, the FBF should be a driving force on all CSR issues and initiatives, they are essential to achieve a sustainable and harmonious growth.

\_\_What services do you offer to foreign investors willing to set up in New Caledonia?

We are all full-service universal banks and are therefore able to offer the full range of services available elsewhere in the world.

All the banks present on the territory are backed by large metropolitan or global banking groups, which makes it possible to meet many of the needs expressed by our customers.

\_\_Which projects have been implemented by the FBF to promote a wider access to banking services for the general population?

Despite the narrowness of our market, all banks have remote banking tools, internet or mobile, in which we invest regularly.

You will also have noticed the generalization of self-service banking spaces which allow our customers a great deal of autonomy for their day-to-day operations. The presence of banks in the shareholding of the Calédonienne des Services Bancaires (CSB) has also made it possible to speed up the implementation of "contactless" credit card payments.

Additionally, we are currently preparing an operation called "a banker in my class" in order to make the

youngest public aware of banking subjects, often unknown.

Finally, the FBF banks signed a charter in 2020 promoting the inclusion of the most vulnerable customers, which complements our legal obligations under the OCF regulations (Support Offer for Customers in Fragile Situations).

\_\_Your final message for potential investors interested in New Caledonia? What do you think are the main assets of this region?

Seen from abroad, the situation we are experiencing in New Caledonia is often perceived as complex. The departure of Vale from our territory is undoubtedly a striking example.

Despite the above, I am convinced that New Caledonia remains a land of opportunity in the medium term thanks to its mineral resources, its protected biodiversity, its location in the South Pacific, its insularity (an asset in a pandemic situation), its very low population density and the quality of its infrastructure.



Calédonienne de Services Bancaires