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Bank less

New Realities, New Possibilities

*A Treasury and Finance leaders' handbook to
seizing growth in a disrupted global economy*

| Hong Kong

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About the Report

GLOBAL AND PULSE SURVEY

As global macroeconomic trends continue to shape the dynamic landscape, Chief Financial Officers (CFOs) and Treasurers are progressively enhancing and expanding new capabilities to support their organisations in achieving their strategic and financial objectives.

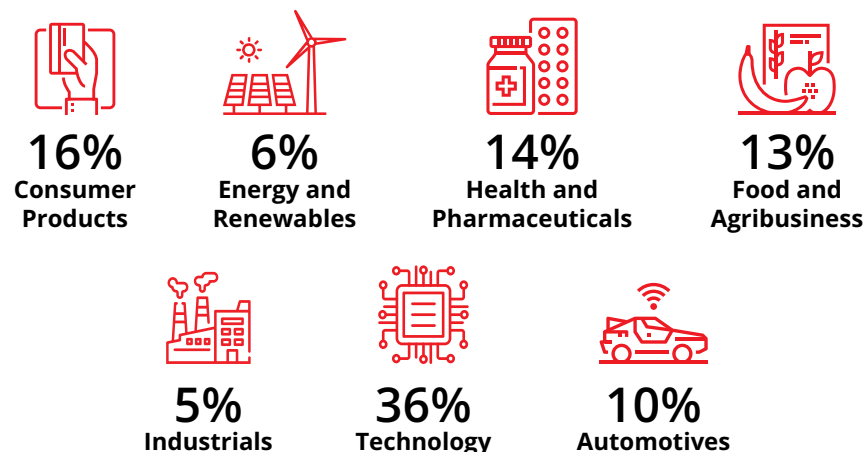
We commissioned EY-Parthenon to conduct an in-depth analysis, gathering insights from more than 800 Treasury and Finance leaders across 14 markets¹ and seven industry sectors.

The global survey conducted from Mar to Apr, is a comprehensive study that explores how macroeconomic trends have influenced the roles and priorities of these financial leaders, their self-assessments of effectiveness, and their future strategies to address key priorities.

The pulse survey conducted in May was introduced as a follow-up to the initial insights program. It aims to capture the evolving sentiments of CFOs and Treasurers in the wake of the Liberation Day announcements, providing valuable insights into how financial leaders perceive their priorities shifting in response to these complex times.

For CFOs and Treasurers, this represents a new reality but also one filled with possibilities for growth and innovation.

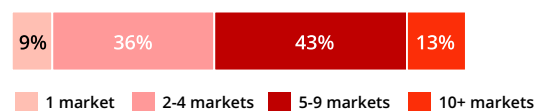
PROFILE BREAKDOWN BY SECTORS IN HONG KONG



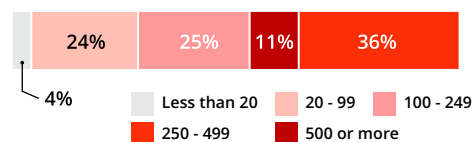
Base: All respondents, n=80

PROFILE BREAKDOWN BY SIZE OF OPERATIONS IN HONG KONG

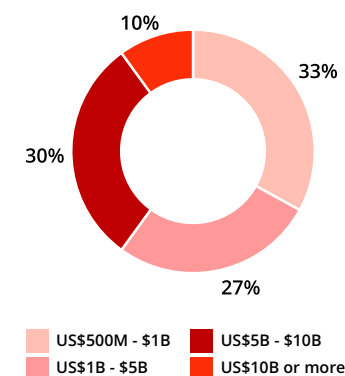
GEOGRAPHIC REACH



FTEs IN FINANCE/TREASURY FUNCTION



ANNUAL REVENUE



1. Australia, Europe (consists of France, Germany, United Kingdom), Hong Kong, India, Indonesia, Mainland China, Malaysia, Singapore, Taiwan, Thailand, United States of America, Vietnam

Executive Summary

Hong Kong businesses are entering a new phase of strategic transformation, in response to the ongoing shifts in global trade dynamics. We are seeing a clear pivot from short-term reactive measures to long-term planning, with a strong emphasis on financial resilience, capital efficiency, and treasury transformation.

Boris Chan

Head of Institutional Banking Group,
DBS Hong Kong

As companies recalibrate their strategies for a changing global trade environment, the need for agility, technological adoption, and strategic foresight has never been greater. Companies are not only managing risks effectively but also seizing opportunities through technology, particularly artificial intelligence, to transform their treasury functions and stay competitive in a rapidly evolving landscape.

Jolynn Wong

Head of Global Transaction Services,
DBS Hong Kong

FACING NEW REALITIES



Macrotrends shape how CFOs and Treasurers define and navigate their priorities, and select solutions to address their priorities

- Evolving macroeconomic headwinds and intensifying global trade tensions are amplifying uncertainty across Hong Kong and the broader region, with heightened protectionism, tariff volatility, and geopolitical fragmentation weighing on export performance and investment sentiment
- Ensuring liquidity buffers is critical, given the volatile interest rate environment and supply chain disruptions from the potential impact of tariffs
- CFOs and Treasurers are placing a greater emphasis on leveraging data and advanced technologies to drive transformation and optimisation to build financial resilience

NAVIGATING KEY PRIORITIES



CFOs' and Treasurers' perceptions of their own effectiveness shape how they navigate their key

priorities. To better understand this relationship, we first assessed how they evaluate their effectiveness in addressing these priorities – using our Strategic Effectiveness Indicator (SEI)

- CFOs and Treasurers are strengthening their focus across areas like capital, strategic remit and risk management to navigate today's uncertainty with greater agility
- Scale of business, business sector, and geographical distribution plays a role in CFOs' and Treasurers' self-assessed effectiveness
- Our Strategic Effectiveness Indicator (SEI) demonstrates that globally most CFOs and Treasurers assess themselves to be strategically effective ~64% of the time, while for Hong Kong, the score stands at ~63%

REALISING NEW POSSIBILITIES



The path forward for CFOs and Treasurers varies; particularly from a sectorial angle as the core priorities differ

- Across sectors, CFOs and Treasurers are adopting differentiated approaches to tackle priorities depending on their organisations' stage of growth and available resources
- Reinforcing core capital management capabilities is an area finance leaders are targeting to meet strategic demands and strengthen financial resilience amidst a complex finance landscape
- An increasing interest is noted towards adopting emerging technologies like Generative AI (GenAI) for accurate insights while reducing reliance on manual processes, enhancing decision-making for businesses

Macrotrends Reshaping Priorities of CFOs and Treasurers

Interest rate and inflation volatility is intensifying, driven by ongoing geopolitical tensions and an increasingly cautious US monetary policy. The Fed has raised its 2025 inflation forecast to 3%, citing uncertain trade policies and global risks, stifling expectations for near-term rate cuts. In Hong Kong, interest rates shadow the Fed via the Linked Exchange Rate System, although actual rate adjustments are at the local banks' discretion, which introduces unpredictability, especially amidst volatile capital flows.

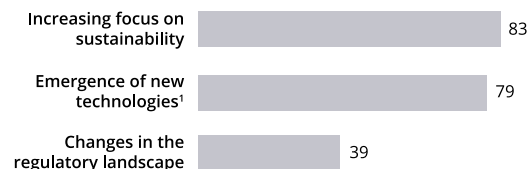
Despite these headwinds, Hong Kong's financial landscape presents unique opportunities given the city's position as a global financial centre and its close ties to mainland China. Playing a super-connector role, Hong Kong is the bridge between mainland China and the global market. It is also solidifying its role as Asia's premier sustainable finance hub. Already the region's largest market for green and sustainable bonds, the city is accelerating its momentum with expanded government grant schemes that now include transition finance further cementing its position on the global financial stage.

New realities

Top 3 macrotrends with negative outlook



Top 3 macrotrends with positive outlook



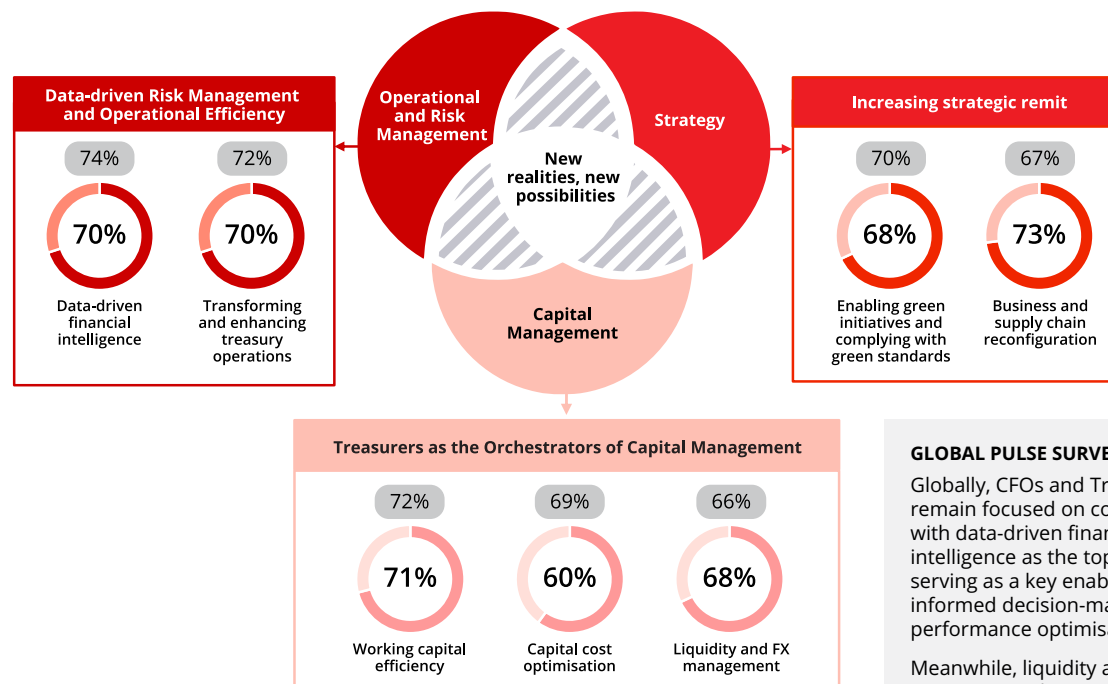
GLOBAL PULSE SURVEY SENTIMENTS

Geopolitical tensions remains the top concern, with rising tariff-related anxieties compounding supply chain risks and potential trade barriers.

While inflation and interest rate volatility have eased slightly, they remain persistent challenges—especially given the continued dominance of the USD in global trade.

Navigating key priorities (Hong Kong vs Global)

XX% Global average percentage



GLOBAL PULSE SURVEY SENTIMENTS

Globally, CFOs and Treasurers remain focused on core priorities, with data-driven financial intelligence as the top priority, serving as a key enabler for informed decision-making and performance optimisation.

Meanwhile, liquidity and FX management has risen to second place, driven by tariff-related pressures on cash flow and inventory buildup.

1. Examples include GenAI, AI/Machine Learning, Blockchain

The Priorities of CFOs and Treasurers

Hong Kong's technology sector is navigating increased complexity amidst evolving global trade dynamics. While tighter export controls and tariffs are being extended to the region and beyond, Hong Kong's distinct legal framework continues to offer some differentiation. Equally, the Hong Kong government is also making investments into innovation and technology through setting up special development zones for technology sector players such as AI, robotics, data analytics and IoT into manufacturing.

In the energy sector, while reliance on imported fossil fuels remains, the government is stepping up investments in renewable energy, demonstrating a clear commitment to sustainability and diversification. On the consumer front, shifting spending patterns and the rise of cross-border e-commerce are reshaping the retail landscape. Although local consumption and tourist spending from mainland China have moderated, these changes are prompting innovation in retail strategies and digital engagement to create new growth opportunities in a transforming market.

Key priorities across sectors in Hong Kong



Top priority levers for Hong Kong Consumer Product¹ businesses



Transforming and enhancing treasury operations



Working capital efficiency



Business and supply chain reconfiguration



Top priority levers for Hong Kong Technology¹ businesses



Transforming and enhancing treasury operations



Data-driven financial intelligence



Liquidity and FX management



Top priority levers for Hong Kong Energy and Renewables¹ businesses



Working capital efficiency



Business and supply chain reconfiguration



Data-driven financial intelligence



Finance teams have shifted from traditional "passive hedging" to active "front-end management", to pro-actively assess potential risk posed by exchange rate fluctuations to enable more effective mitigation strategies.

Rong Xian Zhu
Chief Financial Officer

SKYWORTH

1. Sample size for individual subgroups is small (i.e., n<30), results are indicative and not representative of the subgroup. Technology = 29, Energy and Renewable = 5, Consumer Products = 13

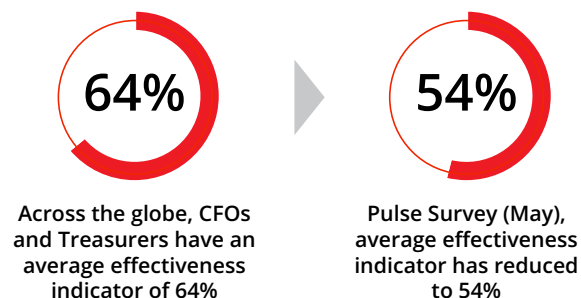
A Measure of Effectiveness for Growth and Resilience: DBS Strategic Effectiveness Indicator (SEI)

What is it?

Respondents were asked to identify core priorities for their treasury team over the next five years (shown earlier). They were then asked how effectively they are achieving these objectives.

Their responses were used to calculate a single score out of 100 articulating overall effectiveness. More details about the calculation are provided in the appendix of this document.

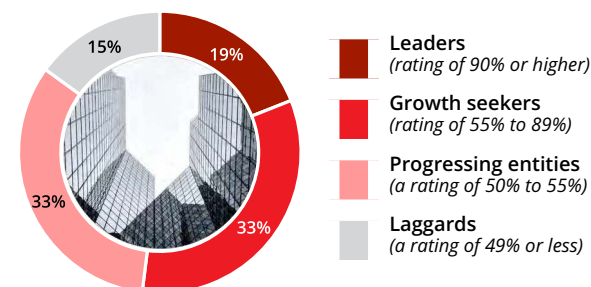
Average global effectiveness rating



Segmenting organisations by their average effectiveness rating

Effectiveness varies widely, with some organisations delivering on strategic priorities more successfully than others. CFOs and Treasurers can be broadly categorised into four segments:

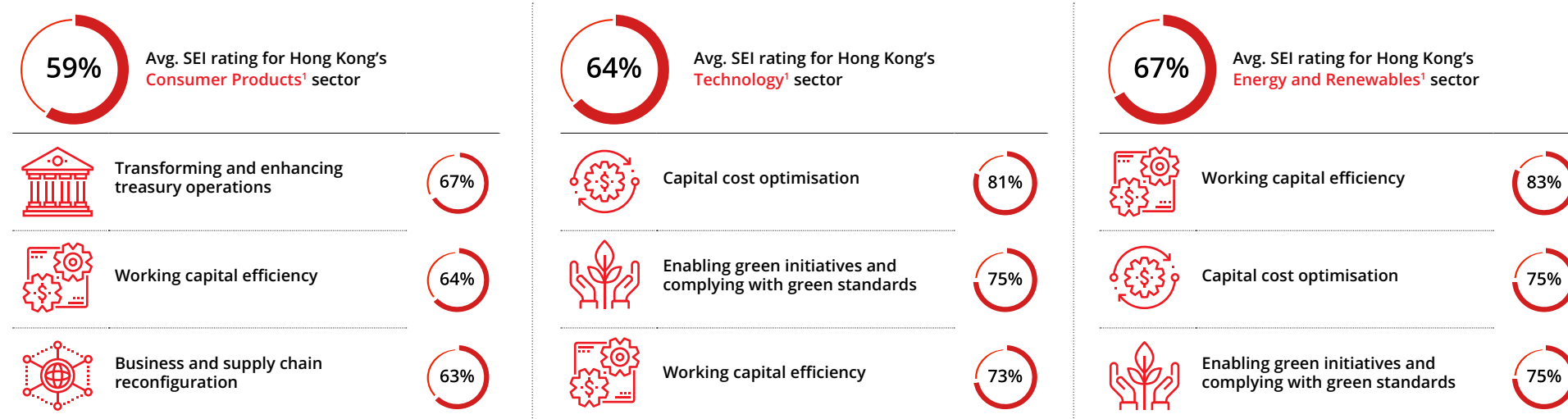
Segmentation of organisations based on their effectiveness rating



Strategic Effectiveness Indicator (SEI)

Hong Kong is actively positioning itself as a global supply chain management hub, backed by policies in the Financial Secretary's Budget. Trade finance lending reached HKD\$380B, with 40% supporting offshore trade, facilitating cross-border flows of goods and capital while creating new opportunities for financial institutions to strengthen supply chain resilience. HKEX's streamlined post-IPO mechanisms enable renewable energy firms to access follow-on funding efficiently, while institutional investment in listed new energy firms has surged from USD\$12B in 2015 to USD\$51B in 2025, boosting market liquidity and long-term financial agility. In response to declining sales in the Consumer Product sector, the government is ramping up efforts to stimulate domestic demand through tourism promotion, flagship events, and income-boosting initiatives.

Strategic Effectiveness Indicator (SEI): Across key sectors and priorities in Hong Kong



Our finance team has built an integrated operating model that ensures territorial compliance while maintaining seamless co-ordination with headquarters to enable agile financial support for our global supply chain.

Rong Xian Zhu
Chief Financial Officer

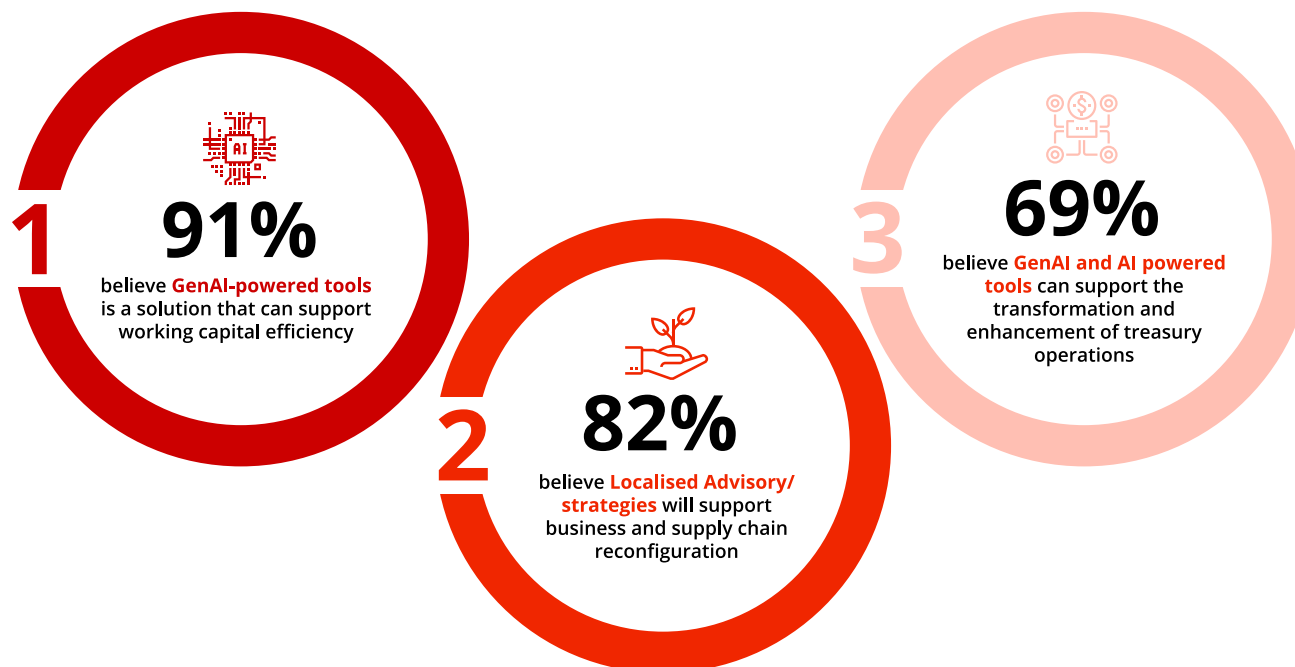
SKYWORTH

1. Sample size for individual subgroups is small (i.e., n<30), results are indicative and not representative of the subgroup. Technology = 29, Energy and Renewable = 5, Consumer Products = 13

Solutions Desired by CFOs and Treasurers of the Future

Realising New Possibilities

- As Hong Kong businesses face new realities, firms are embracing the advancements in technology, viewing GenAI as a key enabler to uplift the function's capabilities, across improving working capital efficiency as well as transforming treasury operations.
- Having tailored strategies for each new market is becoming increasingly essential and will go a long way to support business expansion and supply chain reconfiguration in a complex regulatory environment with evolving and diverse consumer bases.
- This reflects a broader trend where companies are relying on data-driven insights based on advanced technologies while ensuring adaptable strategies for each market, to optimise financial management and support effective decision-making.



In the current complex international environment, finance must have a strategic vision and take the initiative to actively engage in business strategy, identifying risks early, and contributing real-time insights to support global decision-making.

Rong Xian Zhu
Chief Financial Officer

SKYWORTH



WHAT'S NEXT?

CFOs and Treasurers are redefining their roles to drive growth in a complex, fast-changing environment. By drawing on market-specific insights and peer benchmarks, you can identify where your financial strategy can go further.

Let's explore how our team can support you with tailored treasury solutions that drive meaningful results. Connect with us to unlock value, enhance resilience, and future-proof your financial strategy.

Appendix

The Strategic Effectiveness Indicator (SEI)

The **Strategic Effectiveness Indicator (SEI)** serves as a key indicator of the effectiveness of organisations, focusing on seven key areas related to treasury and finance functions:

- Data-driven financial intelligence
- Transforming and enhancing treasury operations
- Capital cost optimisation
- Working capital efficiency
- Liquidity and FX management
- Enabling green initiatives and complying with green standards
- Business and supply chain reconfiguration

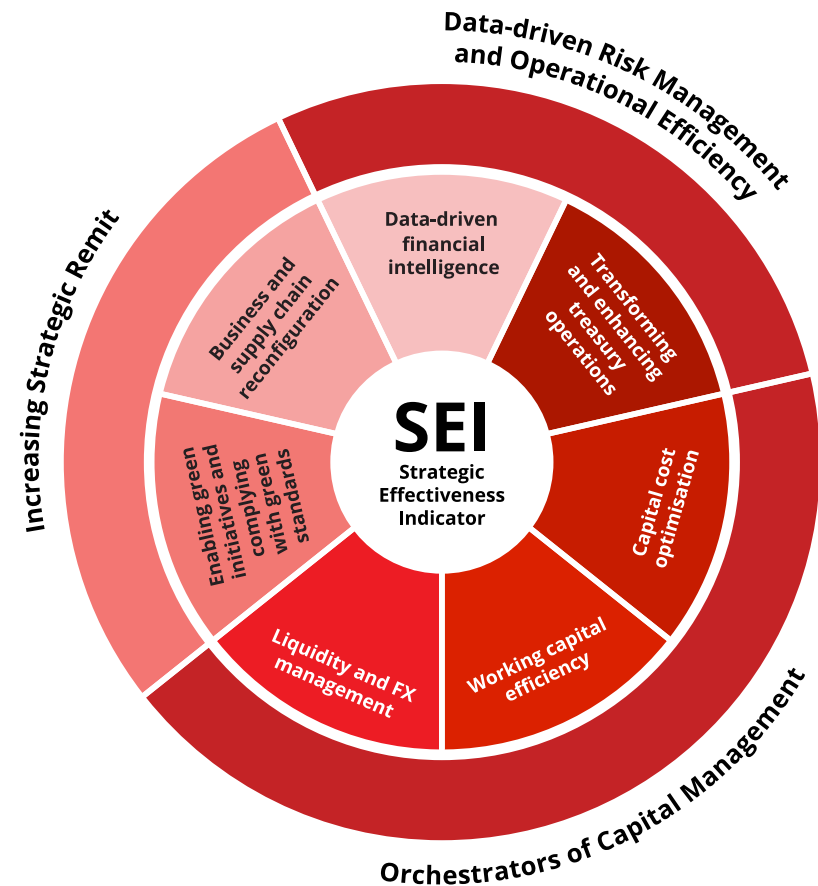
The indicator reflects how CFOs and Treasurers view and evaluate the effectiveness of their organisations. As a result, it may not accurately represent the true maturity or actual effectiveness of those organisations.

Methodology

The indicator is developed by DBS, in collaboration with EY, and derived based on data obtained from the 2025 DBS CFO and Treasurer insights programme.

Respondents were asked to evaluate the effectiveness of their organisations on a scale from 0 to 5 across the seven dimensions described on the left. The scores for each dimension were then converted into a score out of 100. These scores were subsequently averaged to produce a single overall Strategic Effectiveness Indicator (SEI) score.

This approach allows for a comprehensive assessment of overall effectiveness, with higher scores indicating greater self-assessed strategic effectiveness





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The views reflected in this publication are the views of the author and do not necessarily reflect the views of the global EY organisation or its member firms.



World's Best & Asia's Safest

World's Best Bank, 2025, *Euromoney*
Best ESG Transaction Bank APAC, 2025, *The Asset*
World's Best Corporate Digital Bank, 2024, *Global Finance*
Safest Bank in Asia, 2009 - 2024, *Global Finance*
Best Bank for Transaction Banking APAC, 2025, *Global Finance*
World's Best Bank for Sustainable Finance, 2025, *Global Finance*