

General Meeting and Conference

Asian Banks discuss Growing Beyond Borders at the 32nd ABA General Meeting and Conference

Over 200 bankers from Asia-Pacific, the Middle East, and other regions composed mainly of members of the Asian Bankers Association (ABA) led by ABA Chairman **Mr. Daniel Wu**, President of CTBC Financial Holding Co. from Taiwan, gathered in Taipei on November 12-13, 2015 for the 32nd ABA General Meeting and Conference. Co-hosted by CTBC Bank and The Bankers Association of the Republic of China (BAROC), this year’s gathering of the region’s banking leaders was held at Grand Hyatt Taipei.



ABA Chairman Mr. Daniel Wu welcomes delegates to the 32nd ABA General Meeting and Conference.

Focusing on the theme “Asian Banks: Growing Beyond Borders”, the ABA Conference this year discussed what Asian banks need to do to successfully expand from their domestic

borders into the regional and international markets. Experts from both the private and the public sectors shared their views on the importance for banks to gain a deeper understanding of market trends and customer demands; to be more outward looking and focused on the market; to respond smartly but, more importantly, speedily to change; and to understand what drives cost and what drives value. Discussions also focused on the need to empower customers with technology, and for banks to reduce costs, improve service quality and put power into the hands of their customers through innovative deployment of technology.



Mr. Wu presents a token of appreciation to ROC President Ma Ying Jeou. Joining them on stage are Dr. Catherine Jih-Chu Lee, BAROC Chairperson and Chairperson of Taiwan Financial Holdings and Bank of Taiwan; and Nomura Chief Economist and Keynote Speaker Mr. Richard Koo.

Invited to deliver the Special Address during the Opening Ceremony of the Conference was the President of the Republic of China, **Mr. Ma Ying-Jeou**. Also present at the Opening Ceremony to give their remarks were Mr. Daniel Wu, ABA Chairman and President of CTBC Financial Holding, and **Dr. Catherine Jih-Chu Lee**, BAROC Chairperson and Chairperson of Taiwan Financial Holdings and Bank of Taiwan.



Dr. Catherine Jih-Chu Lee delivers her opening remarks.



Nomura Research Institute Chief Economist Mr. Richard Koo talks about “The Escape from Balance Sheet Recession and the QE Trap” in his keynote speech.

Featured as Keynote Speaker was **Mr. Richard Koo**, Chief Economist at the Nomura Research Institute. Mr. Koo talked about “The Escape from Balance Sheet Recession and the QE Trap.” He is best known for developing the concept of balance sheet recession which is now widely used around the world to explain the post-1990 Japanese and post-2007 Western economies. He has also advised successive prime ministers on how best to deal with Japan’s economic and banking problems.

Plenary Sessions tackle regional integration, managing diverse customer base, and going digital

During the various Conference sessions, other eminent speakers from both government and the private sector shared their views and insights on the following topics:

Regional Integration: Implications for Asian Banks

This session examined the extent to which regional integration is expected to reduce uncertainty and obstacles for banks when entering a new market; how do banks, particularly those positioned to help their key clients enter new markets or relocate overseas, would stand to gain from such market expansion; what models do banks need to use or have used to expand regionally; and what degree of regulatory harmonization is required for a region-wide integration of the banking market?

The session speakers and their respective topics included: **Mr. Nestor Espenilla, Jr.**, Deputy Governor, Bangko Sentral ng Pilipinas (Harmony in a Diverse ASEAN Economy); **Mr. Lachlan Colquhoun**, Chief Executive Officer, East & Partners Asia (Asia’s Competitive Landscape); and **Dr. Amir Mehran**, Advisor to President and Manager, Foreign Assets & Investment Management Dept., Bank Pasargad (Implications of Regional Integration for Asian Banks). Chairing and moderating the session was **Mr. Andrew Healy**, Managing Director and CEO, Bank of Maldives Plc.



Mr. Nestor Espenilla, Jr., Deputy Governor, Central Bank of the Philippines, speaks about “Harmony in a Diverse ASEAN Economy.”

Managing a Multi-cultural and Multi-Generational Customer Base

This session featured speakers who explored the characteristics of the various groups of customers from across different cultures and different generations and shared their views on how banks could build successful relationships with each of these groups by applying the appropriate cultural or generational approach and strategies to the marketing process.

Invited as speakers and their respective topics were **Mr. Ken Lee**, Managing Director and Head for Asia, 13D Research (Understanding the Millennials); **Mr. Richard Hartung**, Head of Content-Asia, European Financial Management Association (Analytics, Value and a Great Experience Engage Customers); and **Dr. Hassan Motamedi**, CEO of EN



Mr. Ken Lee encourages banks to hire millennials to understand them and cater to their needs.

Bank (Creating synergy between Islamic banking and conventional banking). **Mr. Mostafa Beheshtirouy**, Member of the Board of Bank Pasargad served as session chairman and moderator.

Going Digital: Pursuing Global Opportunities Through Technology

This session examined various issues – as well as challenges and opportunities – resulting from the development of digital banking and how they are currently being addressed by the banking sector and by regulatory and supervisory authorities.

The presenters included: **Mr. Antonio Massanell**, Deputy Chairman, CaixaBank; **Mr. Vinayak HV**, Principal, McKinsey Singapore; **Mr. Seyed Ahmad Taheri Behbehani**, CEO of Saman Bank from Iran; and **Mr. Raphael Goue**, Chairman of the Consumer Finance and NBF Group at the European Chamber in China. Serving as Session Chairman and Moderator was **Mr. I-Cheng Liu**, CEO of Cards and Payments at the CTBC Bank.



Mr. I-Cheng Liu (right most), CEO of Cards and Payments at the CTBC Bank, chairs the session on ‘Going Digital: Pursuing Global Opportunities Through Technology.’

CEO Forum

Focusing on the broad theme of “Business Strategies to Meet Current Market Challenges,” this year’s CEO Forum featured eminent panelists who were requested to exchange views with Conference delegates on key issues affecting global, regional and local markets.

The panelists and their respective topics included **Dr. Majid Ghassemi**, President and Vice Chairman, Bank Pasargad (The importance and relevance of corporate social responsibility and green banking in today’s market environment); **Mr. Jermy Prenio**, Deputy Director, Regulatory Affairs, Institute of International Finance (State of play of international banking regulatory reforms – challenges and opportunities for Asian banks); and **Mr. Wolfram Hedrich**, Partner in the Asia Pacific Finance and Risk Practice, Oliver Wyman Financial Services (Challenges and Strategic Response to Regulations). The CEO Forum was chaired and moderated by **Mr. Tze Ching Chan**, Senior Advisor, The Bank of East Asia.



Dr. Majid Ghassemi (left), President and Vice Chairman, Bank Pasargad receives a token of appreciation from CEO Forum Moderator Mr. Tze Ching Chan, Senior Advisor, The Bank of East Asia.

DBS Bank wins Best Country Presentation award

DBS Bank bagged the Best Country Presentation Award for this year’s Discover ABA Session. **Mr. Irvin Seah**, Senior Vice President and Senior Economist for Economics and Currency Research, represented DBS and gave an overview of Singapore's current economic condition.

Representatives from other selected member banks who made a presentation include **Mr. Paul Tang**, Chief Economist and **Mr. Peter Yuen**, Head of Financial Institutions, The Bank of East Asia Ltd.; **Mr. Fahad**



Mr. Irvin Seah receives the Best Country Presentation Award from ABA Chairman Daniel Wu.

Abdulrahman Badar, Executive General Manager, International Banking, The Commercial Bank of Qatar (Q.S.C.); **Dr. Ekrem Keskin**, Secretary General, The Banks Association of Turkey; **Mr. Alexander Isakov**, Senior Economist for Russia and the CIS, Macro Team, Research Department, VTB Bank; and **Mr. Austin Chiang**, Head of Corporate Planning, CTBC Bank.

The “Discover ABA” session was chaired by **Mr. Nghiem Xuan Thanh**, Chairman of Vietcombank and Vice Chairman of ABA.

Host Bank Session on “The Augmented Age: Disrupting Experience and Advice”

This special session was organized by the CTBC Bank and featured Mr. Brett King, Founder and CEO of Movenbank, a mobile financial service provider operating in the United States. Mr. King spoke about how the future will change the business of private banking and investment advisory, how customer behaviour is driving massive shifts in industry and where the opportunities are emerging. The session chairman was Mr. Daniel Wu, President of CTBC Financial Holding Co. and Chairman of the ABA.



Host bank Session Speaker Mr. Brett King engages the audience with his talk on “The Augmented Age: Disrupting Experience and Advice”.

ABA signs MOU with VNBA

The ABA signed a Memorandum of Understanding (MOU) with the Vietnam Banks Association (VNBA) outlining possible areas of cooperation between the two organizations. ABA Chairman Mr. Daniel Wu and VNBA Chairman Mr. Nghiem Xuan Thanh signed the MOU at the start of the 51st ABA Board of Directors’ Meeting held on November 12, 2015.



Hanoi to host 2016 ABA Conference

The ABA agreed to hold its 33rd ABA General Meeting and Conference in 2016 in Vietnam, with the The Bank for Foreign Trade of Vietnam (Vietcombank) as host organization. A meeting of the ABA Planning Committee will be held in early 2016 in Vietnam to discuss preparations for the Conference, including the exact venue, dates, theme and topics, and speaker line-up.



(Left) Vietcombank Chairman and ABA Vice Chairman Mr. Nghiem Xuan Thanh (second from right) makes a formal announcement to host the 2016 ABA Conference in Hanoi, Vietnam. (Right) Board members watch a short video introduction on Vietnam and Vietcombank.

ABA presents Lifetime Achievement Awards to 4 senior bankers

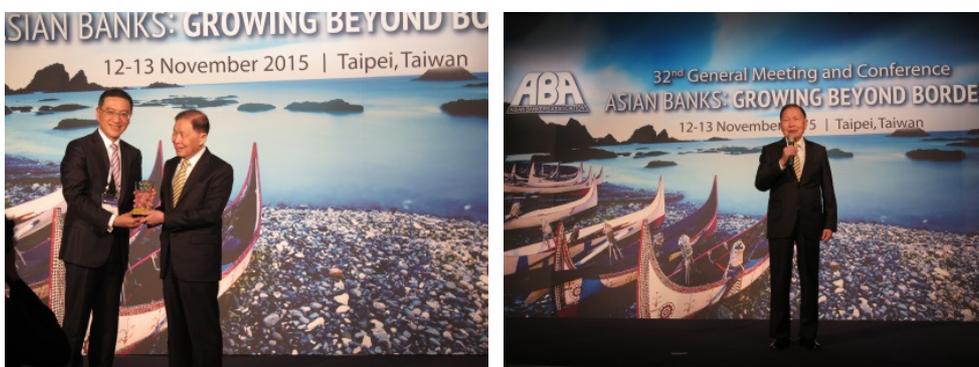
An important highlight of the Taipei gathering was the presentation of the ABA Lifetime Achievement Awards to four members who have served as strong pillars of the association over the past years. Presented during the Farewell Dinner on November 13, the Awards were given to the four distinguished members in recognition of their continued long involvement in the ABA, their unwavering commitment to the objective of the Association of bringing bankers in Asia together to promote regional cooperation and to further advance the interest of the region’s banking sector, and their important contribution to the banking industry in their respective countries. The recipients of the prestigious Award were the following:



Dr. Ayuth Krishnamara, Bangkok Bank Vice President, receives the award on behalf of Mr. Amnuay Viravan.

Dr. Amnuay Viravan, who served as ABA Chairman from 1986 to 1988 during his term as Chairman of Bangkok Bank PCL Ltd.

Dr. Mochtar Riady, who served as ABA Chairman from 1992 to 1994 during his term as Chairman of the Lippo Banking Group of Indonesia.



Mr. Mochtar Riady expresses his heartfelt gratitude to ABA for the Lifetime Achievement Award.

Dr. David K. P Li, Chairman and Chief Executive of The Bank of East Asia Ltd. of Hong Kong, who served as ABA Chairman from 1994 to 1996.



Dr. David K.P. Li thanks the ABA and its late founder Dr. Jeffrey Koo for the long-lasting camaraderie and successful business partnerships made possible through the association.

Amb. Alfonso Yuchengco, Honorary Chairman of the Rizal Commercial Banking Corp. from the Philippines, who served as ABA Chairman from 2002 to 2004.



Ms. Yvonne Yuchengco, daughter of Amb. Alfonso Yuchengco, receives the award and delivers a speech on behalf of his father.

New ABA members welcomed at the 51st Board of Directors Meeting

The Board of Directors formally admitted 5 new regular members, namely (1) Tourism Bank from Iran; (2) Sina Bank from Iran; (3) Bank Hekmat Iranian from Iran; (4) E. Sun Bank from Taiwan; and (5) National Bank of Abu Dhabi from the United Arab Emirates.

Tourism Bank



The bank started its successful operation on December 2010, under Central Bank of Iran's supervision, with the Initial capital of Two Thousand Billion Rials. 60% by direct investment and 40% offered in OTC market and entirely sold out in less than 2 hours in the market.

Community of Shareholders has decided to increase the capital to Six Thousand Billion Rials for implementing new Islamic banking system in Iran.

Tourism bank is the first private commercial bank in Iran that targets tourism industry as one of its essential strategies. The bank focuses on tourism industry while practicing all commercial bank's activities. Tourism bank differentiates from other regional banks by designing and providing unique services to participants in tourism industry.

Sina Bank



Sina Bank came into existence in 1985 as Bonyad Finance and Credit Company (BFCC). At that time it was the first authorized and active finance and credit company in the Iranian financial market. BFCC changed its name to Sina Finance and Credit Company (SFCC) in 2007 when its exclusive shareholder, the Islamic Revolution of Iran Mostaz'afan Foundation, decided to offer a portion of its shares to the public.

The first and foremost mission of Sina Bank, while still a finance credit company, was to offer financial and monetary operations as well as to provide credit and to finance major development projects in Iran. To fulfill the mission, it started to establish a network of branches not only Tehran but also in other provinces. Its then capital was IR Rls 10 billion.

To meet the formal requirements of the Central Bank of The Islamic Republic of Iran (Bank Markazi) Sina Bank repeatedly increased its capital to the current level of IR Rls 3,000 billion. Meeting these standards and requirements allowed Sina Bank to officially secure formal permission for offering its shares in Tehran Stock Exchange and subsequently to become a full operating bank.

On March 20, 2009, Sina Bank announced its existence and commenced full banking operations that are mentioned in its revised status and articles of association.

E.Sun Bank

In 1989, a group of elite professionals jointed under the leadership of chairman Mr. Yung-Jen Huang, pledged to attain to summit and pursue to be the best. In 1992, E.SUN Commercial Bank was born to realize these high ideals to be a first-class bank. The passage of the Financial Holding Company Law in 2001 paved the way for birth of E.SUN Financial



Holding Company Ltd, on January 28, 2002, marking the beginning of new era for E.SUN and expanding the business horizons of E.SUN for insistent commitment of brand name and professional total quality management and service.

The bank stresses sound operating management systems and corporate governance, the cultivation of a highly trained team of employees and the development of information technology forms the three pillars to support sustainable growth for the Bank. E.SUN maintains an image of providing professional and sincere service, while fulfilling its corporate responsibility.

National Bank of Abu Dhabi



NBAD is the leading bank in the Middle East and one of the safest banks in the world. Its roots in Abu Dhabi provide a deep understanding of the dynamics of the Arab region and its connection to the world's markets. It aims to become the number one bank for anyone who wants to do business along the West-East Corridor.

The Bank was founded in 1968 by a decree of the Late Sheikh Zayed Bin Sultan Al Nahyan, the founder of the UAE. Since 2009, NBAD has been ranked one of the World's 50 Safest Banks by Global Finance magazine, which also ranked NBAD the Safest Bank in the Emerging Markets and Middle East.

NBAD is rated senior long/short term AA-/A-1+ by S&P, Aa3/P1 by Moody's, AA-/F1+ by Fitch, A+ by R&I Japan and AAA by RAM Malaysia, giving it one of the strongest combined rating of any global financial institution.

Bank Hekmat Iranian



Bank Hekmat Iranian was issued the banking license from the Central Bank of Iran and was officially established on January 13, 2011. Part of its vision is to build a trusted bank with distinguishing service quality and customer satisfaction based on the Islamic banking values and providing customers with an incentive to choose Bank Hekmat as their first choice. It considers beneficiaries satisfaction including customers, personnel and shareholders through highly effective profitable economic operations and relying on the innovative manpower.

Policy Advocacy

ABA Policy Advocacy Committee convenes second meeting for 2015

During its Taipei gathering, the ABA convened a meeting of the ABA Policy Advocacy Committee, which discussed policy issues of concern to the banking sector and planned out its activities for the next two years.

Among others, as part of its policy advocacy work, the ABA Policy Advocacy Committee reviewed the activities undertaken to date on the promotion of the ABA Informal Workout Guidelines and the Model Agreement for Company Restructuring that were jointly developed by the ABA and the Asian Development Bank (ADB) and subsequently approved by the ABA Board in 2005.

ABA shared experiences and practices in addressing the issue of cyber security, and considered measures that the ABA can take to promote cooperation in this area. It also shared experiences and strategies on improving financial literacy in their respective areas, and considered steps to take to promote cooperation in this area, with the view to achieving financial inclusion. The committee considered and exchanged views on possible issues for future policy advocacy work of ABA.

The Policy Advocacy Committee issued a position paper entitled ***“More Inclusive Micro, Small and Medium Entrepreneur Financing for the Banking Sector Growth and Business Sustainability in Asia.”*** The paper calls on banks to initiate more holistic and inclusive institutional linkages and partnerships to make micro, small and medium enterprises (MSMEs) commercially bankable, urging them to take a strategic initiative of repositioning and evolving products, services and solutions that can match the emerging financial needs of this sector.

In addition, the Committee also considered the following reports: (1) ***Current practices of Hatton National Bank in achieving transformational change through business process re-engineering initiatives*** and (2) ***Impacts of continuing changing regulations on financial institutions.***



ABA Policy Advocacy Committee Chairperson and CTBC Vice President Ms. Prudence Lin leads the discussion of policy issues on the banking sector.

Education and Training**Maybank conducts successful ABA Short Term Visiting Program in KL**

Malayan Banking Berhad (Maybank) successfully conducted a two-day ABA Short Term Visiting Program in its headquarters in Kuala Lumpur on November 2-3, 2015. The program was attended by 24 bank delegates from 13 banks originating from 10 countries. It featured 9 topics on banking which were discussed by Maybank's Division Heads.



Participants gather for a group photo with Ms. Pollie Sim, CEO of International at Maybank.

Day One

The first session on “Maybank International's Journey, Mission and Aspirations” was presented by **Ms. Lim Siow Yee**, Head, Protocol & Strategic Relations at Maybank International. Originally based in Singapore, Ms. Lim flew from Singapore to share with the delegates her long and intimate knowledge Maybank’s international expansion and operations.

Delegates had the privilege of meeting **Ms. Pollie Sim**, CEO, International at Maybank, who with decades of experience in the banking industry has become a true icon in the corporation. She gave a brief presentation on practical management experiences. She recommended personal engagement, as she argued that leadership could account for 50% of the company's success.

The second session “Counterparty opportunities in Malaysia” was presented by **Mr. Farid Khari**, Deputy Head of Global Markets. Mr. Khari debunked myths about large profits generated in trading. He said he did not see global market trading as a profit star in banking anymore because of the competition among banks and the regulations. He projected growing importance in the areas of transaction banking, relending and trade financing as profit drivers in the banking future. Mr. Khari also took the delegates to the trading floor where they observed the operations.



Ms. Lim Siow Yee, Head, Protocol & Strategic Relations at Maybank International talks about Maybank International's journey, mission and aspirations.

During the afternoon session, the delegates were given a tour of the Maybank Headquarters, led by **Ms. Norazizah Hamid**, Head of the Main Branch.

The first day of the program ended with a session on "The Wave of Wealth Management in Asia" presented by **Ms. Eunice Chan Chun Hei**, Head of HNW & Affluent Banking. Ms. Chan discussed issues related to an emerging affluent High Net Worth (HNW) generation in the region.

Day Two

The second day consisted of 5 different sessions. **Ms. Jans Lim Mei Lin**, Head of Group Risk Compliance started Day 2 with a presentation on "The Role of Compliance and Moving Forward." Ms. Lim explained that close monitoring of operations at all levels is important given the present banking environment beset with compliance issues ranging from trading procedures, money laundering risks, to FATCA implementation.

Ms. Lim's presentation was followed by **Mr. Khushwant Singh's** talk on risk culture. Mr. Singh, Head of System and Analytics, said that the risk issue is about protecting the brand, and hence risk must be evaluated. Moreover, he shared the incentives and rewards program of Maybank to its employees when they discover malfeasance or errors in risk managements.



Participants visit the Maybank trading floor to observe operations and practices.

Mr. Loo Eng Hock, Director of Business Initiatives and Project Execution, delivered a session on "Client Experience from a Transaction Banking Experience." With many years of banking practice, Mr. Loo motivated the participants on the areas of client service and encouraged participants to explore digital technologies to facilitate and even simplify customer's transaction processes, thus accelerating cash flow.

Mr. Mahadir Manap, Head of Transaction Banking, discussed "Working Capital Management for Transaction Banking." Mr. Manap shared that JP Morgan and Deutsche Bank are leading in this area. He added that the allocation of working capital for operations and current accounts also affects long-term investments.

Day 2 of the program was concluded by **Mr. Wong Cheong Keat**, Head of Investment & Advisory Investment with a presentation on "Investment Banking." Mr. Wong gave an overview of key investment indicators of the countries in the region and how Malaysia is comparatively doing given recent changes. The Chinese slowdown might be affecting many Asian countries, but it was basically the reduction in oil revenues that was more relevant to Malaysia, said Mr. Wong. While Foreign Direct Investment in Malaysia has gone negative by far, Mr. Wong commented that the country's economy is more resilient because of diversification and good governance.

Participants

The participants included: **Pornchai Ubolsin**, Bangkok Bank Pcl., Specialist, Compliance; **Supralee Larpboonlert**, Bangkok Bank Pcl., AVP., Market Risk, Risk Management; **Hudhaifa Dawood Nadhar Al Zadjali**, Bank Muscat, Head of Government Banking Dept.; **Abdullah Juma Mubarak Al Mamari**, Bank Muscat, Head of Anti-Money Laundering, Compliance Dept.; **Abbas Abdul Aziz Mohammed Al Balushi**, Bank Muscat, Dealer Interbank FX & Swaps, Treasury & Capital Markets Dept.; **Ezideen Juma Mohammed Al Mazroui**, Bank Muscat, Head of Risk IB, Risk Management Dept.; **Hassan Shaam**, Bank of Maldives, Head of Branch Management; **Moosa Nimal**, Bank of Maldives, Head of Customer

Service; **Rolida Intan Shahar**, Commerzbank AG, Representative Office for Malaysia, Assistant Representative; **Toh Chun Wei**, First Commercial Bank Taiwan, Singapore Branch, Associate, Loans Syndication; **S. Nandakumar**, Hatton National Bank, Senior Manager, Private Banking; **M. Pitadeniya**, Hatton National Bank, Assistant Manager, Compliance Dept.; **Shiow Lin**, Mega International Commercial Bank, Senior Vice President & General Manager, Risk Management Department; **Pei-jung Lin**, Mega International Commercial Bank, Assistant Vice President, General Affairs and Occupational Safety & Health Department; **Nadie Samarasena**, National Development Bank, PLC, Senior Manager, Credit Administration Unit; **Santhoshini Peries**, National Development Bank, PLC, Deputy Manager; **Christian Jerome O. Dobles**, Philippine National Bank, Senior VP/Region Head, Retail Banking Group; **Abhishek Gupta**, Sumitomo Mitsui Banking Corporation, Singapore branch, Head of Financial Institutions - South & South East Asia; **Ping Tzu Lin**, The Export-Import Bank of the Republic of China, Department of Loan and Guarantee; **Hsin Yu Weng**, The Export-Import Bank of the Republic of China, Department of Finance; **Bayaraa Enkhsaikhan**, Trade and Development Bank of Mongolia, Risk Analyst; **Tran Thi Minh Phuong**, Vietcombank, Financial Institutions; and **Nguyen Thi Phuong Dung**, Vietcombank, Credit Policy Department

ABA supports “Cashless Payment Strategy and Security Workshop” in Singapore and Hong Kong

ABA is invited by Pacific Conferences, an event organizer, to support the Cashless Payment Strategy and Security Workshop to be held on January 11 – 12, 2016 in Singapore and January 14 – 15, 2016 in Hong Kong.

The event organizer is offering a 10% discount for ABA members who wish to attend the conferences. To avail of the special discount, ABA members can quote “CP2-ABA1” upon registration.

Targeting business development and product development executives and managers as the key audience, the two-day events will take an in-depth look at how digital payment systems work, and how to provide relevant, profitable and secure payment services as a platform operator, bank, telecommunications operator or retailer. The Workshops will also discover what is shaping the ecosystem and driving the surge in payments innovation, and learn to build a monetized payment model that will gain critical mass among different stakeholders.

2-Day Practical Workshop on:
Cashless Payment
 Strategy & Security



Highlights of the Conference program include:

- Payment Fundamentals
- Key Industry Players
- Payer and Payee
- Technology Enablers
- Trust and Security
- Future of Payments

For more information on the event, interested parties are encouraged to visit the Conference website at <http://www.conferences.com.sg/ws-CP2.htm> and the eDM is available at: <http://www.conferences.com.sg/CP2-ABA1.htm>.

News Updates

APEC region to grow 3.1-3.2% in 2015APEC
PHILIPPINES
2015

The Asia Pacific region is expected to grow by 3.1-3.2 percent this year, the slowest rate since the global financial crisis in 2008-2009, but is expected to recover next year with a strong 3.4 percent growth although lower than the world GDP forecast of 3.6 percent.

A survey by the Philippine Economic Cooperation Council (PECC), the official observer organization in APEC, and an APEC study both showed slower growth for the region this year on intensified challenges for the region.

A paper entitled Economic Trends Analysis: Growth Softens as Challenges Intensify by the APEC Policy Support Unit showed a softening of the region's growth this year and a recovery in 2016.

The APEC region is projected to grow 3.1 percent in 2015, at par with the world, but below its 2014 GDP expansion of 3.4 percent in 2014. The slower growth followed after slower growth in the second quarter this year of 3.1 percent from 3.2 percent in the first quarter.

In 2016, however, the APEC region is expected to post a stronger GDP growth rate of 3.4 percent, although lower than the world GDP forecast of 3.6 percent.

Denis Hew, APEC Secretariat Executive Director, said in his presentation that the slower growth reflected the prolonged weakness in global economic activity as the modest recovery in advanced economies was matched by a general slowdown in emerging market conditions.

Among APEC economies, the moderation in GDP levels could be attributed to declining investments and lackluster exports.

The downturn in exports was due to a host of factors including sluggish global demand; twin declines in export prices and overall commodity prices; and China's economic rebalancing from an export and investment-led growth towards a more domestic-driven growth.

Industrial production also yielded mixed results for APEC economies, mirroring the uneven strength in demand across the region as well as the significant decline in investment growth.

Household spending remained the major driver of growth in the APEC region, buoyed by the decline in commodity prices, particularly oil; relatively steady employment levels and its consequent positive income expectations; and the prevailing low-interest rate environment as credit and financial conditions remained accommodative.

The APEC study further said that the maintenance of accommodative monetary policy among APEC economies has not triggered inflationary pressures as inflation in APEC was lower at 2.2 percent during the period January-September, 2015 from the 2.8 percent recorded in January-September 2014, generally moving in tandem with world commodity prices. *Manila Bulletin*

Special Feature**Interconnected global markets foster growth, but entail risks:
President Ma**

The following article is Taiwan President Ma Ying Jeou's remarks at the 32nd Asian Bankers Association General Meeting and Conference Opening Ceremony.

The ABA is an important forum for banks throughout the Asia-Pacific Region to exchange ideas, and explore business opportunities. Since it was organized in Taipei in 1981, the ABA has been dedicated to providing members with business opportunities, and the latest business intelligence about banking in the Asia-Pacific Region. It has thus made an outstanding contribution to regional economic and financial cooperation and development. One such contribution is the conference that the ABA sponsors each year, which provides an excellent channel for dialogue between the public and government agencies about important financial issues. The ABA's occasional publications are also a valuable reference for the financial sector, and people implementing government policies in countries throughout the region.

This is the fifth time the ABA has convened its General Meeting and Conference in Taiwan. And under the theme of this year's conference, "Asian Bankers: Growing Beyond Borders," plenary sessions will be held to explore topics like: "Regional Integration: Implications for Asian Banks," "Managing a Multi-Cultural and Multi-Generational Customer Base," and "Going Digital: Pursuing Global Opportunities Through Technology." And I trust that those discussions will be full



ROC President Ma Ying Jeou addresses the audience at the opening ceremony of the 32nd ABA General Meeting and Conference.

of fresh insights for bankers from all of the countries represented here today. So I want to extend my sincere thanks to the ABA for organizing this event, and our hosts--CTBC, the China Trust Commercial Bank, and the Bankers Association of the Republic of China.

In our globalized world today, highly interconnected global markets can foster efficiency and growth. But they also carry significant risks.

Those risks were apparent when I first became president back in 2008, and Taiwan was feeling the impact of the global financial tsunami. That crisis was a serious challenge to our economy overall, and our economic performance.

To respond to the tsunami, we quickly adopted crisis management measures known as our "Three Supports Policy." That policy called for: first, the government to support banks; second, the banks in turn to support enterprises by providing financing; and third,

enterprises to support employees by keeping them on the payroll. That program included the Central Bank reducing interest rates 7 times. The government also fully guaranteed all bank deposits, so depositors would always be able to withdraw funds. At that time, we were the first country in all of Asia to do that. So there was no fear of a run on banks, and banks were able to maintain adequate capital adequacy ratios and liquidity. So in Taiwan, not a single bank went under as a result of the global financial tsunami, and the domestic financial situation stabilized. At the same time, to stimulate consumption and revitalize the domestic economy, the government distributed US\$2.7 billion worth of consumer shopping vouchers to every one of the country. Taken together, all of these policies allowed Taiwan to weather the global financial crisis. So although in 2009 our economic growth rate was a negative 1.57%, in the following year, 2010, economic growth reached a 24-year high of 10.63%. That was an extraordinary economic turnaround.



Turning to this year, 2015, growth has certainly been lower than expected, and the IMF has indicated that global economic growth this year will be the weakest since 2009. So we just may be facing what the IMF warned us about in October of last year—the beginning of a new era in economics: The New Mediocre. So avoiding an extended period of slow growth—and any resulting economic crisis—is a serious challenge for policy makers in every country. And that makes international cooperation the key to

future economic growth and development.

So over the past few years, Taiwan saw the impact of the global financial crisis slow economic growth in 2008 and 2009. But thanks to an effective response by the government, it recovered quickly. As a result, Taiwan's growth rate last year was 3.77%, the highest in the last three years. That was also the first time in 16 years that our growth rate was the highest among Asia's Four Little Dragons. In the first quarter of this year, our growth rate was 3.37%, also the highest among the Four Little Dragons. But since the second quarter began, growth has slowed, and Taiwan's Directorate-General of Budget, Accounting and Statistics projected an annual growth rate of 1.56% only. The government reacted quickly, and in July we proposed countermeasures to strengthen the economy and ensure that Taiwan's economy will keep moving in a positive direction.

So as we have seen, the Taiwan economy has faced many challenges, some global in nature, and some purely domestic. But we can also see that Taiwan's economic fundamentals are good. For many years, the World Bank's "Doing Business Project" has ranked countries based on the "ease of doing business" there. When I first took office, Taiwan was ranked No. 61 in that category, but by last year we had climbed all the way up to No. 19. This year, we jumped another eight spots to No. 11, so over the last seven years we have moved up a total of 50 places. And in the IMD World Competitiveness Yearbook 2015, Taiwan also moved up two spots to No. 11, and was ranked No. 3 in the Asia-Pacific Region.

At the same time, profits in Taiwan's financial sector set a historic high last year, topping NT\$500 billion. In fact, our financial sector set a lot of records last year: the non-performing loan (NPL) percentage at Taiwan's banks dropped to 0.25%; the NPL coverage ratio was over 500%; and the capital adequacy ratio was over 12%, which is higher than the international standard of 8%.

As Taiwan's Central Bank Governor Fai-Nan Perng (彭淮南) often reminds us, Taiwan is a small, open economy, and our economic growth is driven by external demand. As Governor Perng has said, Taiwan's level of participation in the Global Value Chain (GVC) is 67%, which is much higher than other developed countries. That makes Taiwan an essential link in the global value supply chain.

The rise of Asia's emerging economies shows that in terms of economics, the global center of gravity has moved eastward. Taiwan's financial industry should thus take advantage of emerging business opportunities, and facilitate the deployment of Taiwan businesses and industries. After cultivating the domestic market, the most capable members of Taiwan's financial industry should look to expand their markets, and compete on the larger playing field of Asia. The government has thus made strengthening Taiwan's financial institutions and expanding their asset base to enhance competitiveness an important policy direction.

We are therefore continuing to liberalize financial laws and deregulate the industry. Taiwan's Financial Supervisory Commission (FSC) has also been visiting financial authorities in Southeast Asian countries to strengthen cooperative exchanges with their regulatory counterparts. This should create opportunities for the Taiwan financial industry to enter Southeast Asian markets.

The rise of the Internet and mobile communications has also spurred innovation in business and financial models. To take advantage of this new environment, Taiwan's Executive Yuan, our Cabinet, published a policy white paper on the "Intelligent Internet." Based on that white paper, the FSC then created e-business environments in four important areas: business flow; financial flow; logistics flow; and information flow. It also set out policies to enhance the competitiveness of Taiwan's financial industry in the Digital Age, including a "Bank 3.0" policy, and policies promoting internet services for securities and futures merchants, internet insurance applications, and a platform to handle financial services for small- and medium-sized enterprises.

As the landscape of the financial industry changes, and the industry's center of gravity shifts to the Asia-Pacific Region, Taiwan will continue to forge a sound legal framework, and strengthen the corporate governance, risk management, and liquidity of financial institutions, as well as enhancing regional economic and financial cooperation.

I firmly believe that through our collective efforts, we can create a brighter tomorrow for one and all. I also trust that you will all come away from this year's ABA gathering with valuable knowledge, and I hope you will also take with you fond memories of Taiwan.

Among Member Banks

- **BEA disposes brokerage subsidiaries to SinoPac** - The Bank of East Asia, Limited (BEA) on October 23 entered into an agreement to sell its wholly-owned subsidiary, Tung Shing Holdings Company Limited to SinoPac Securities (Cayman) Holdings Limited (SPSC). In addition, BEA has entered into an agreement with SinoPac Securities Corporation for the disposal of all the issued shares in BEA Wealth Management Services (Taiwan) Limited through the merger of BEA Wealth Management with SinoPac Securities. Both SinoPac Securities and SPSC are wholly-owned subsidiaries of SinoPac Financial Holdings Company Limited ("SinoPac"), which is listed on the Taiwan Stock Exchange. "My colleagues and I firmly believe that SinoPac Securities and SPSC are well equipped to take the businesses of BEA Wealth Management and Tung Shing to the next level of development," said Dr. David K.P. Li, Chairman & Chief Executive of BEA. *BEA News Release*


- **ICICI Bank Board approves sale of 9.0% stake in ICICI Lombard General Insurance Company to Fairfax Financial Holdings** - The Board of Directors of ICICI Bank Limited on October 30 has approved the sale of 9.0% shareholding in ICICI Lombard General Insurance Company Limited to its joint venture partner, Fairfax Financial Holdings Limited. The proposed transaction values the Company at Rs. 17,225 crore (US\$ 2.6 billion). The transaction is subject to governmental and regulatory approvals. Upon completion of the transaction, the share ownership in the Company of ICICI Bank and Fairfax will be approximately 64% and 35%, respectively. The transaction reflects the company's franchise as the leading private sector general insurer in India, the substantial potential for profitable growth of the business and the strong relationship between the joint venture partners. *ICICI Bank*


- **MUFG launches M-EIR program to foster entrepreneur CEOs** - The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) and Mitsubishi UFJ Research and Consulting Co., Ltd. (MURC) on November 2 have established and begun accepting applications for M-EIR (MUFG Entrepreneurship in Residence), a program for fostering talented CEOs. The goal of the M-EIR program is to support talent who will lead global next-generation industries based on Japan's nascent advanced technologies. Chosen applicants will be employed by MURC for two years to gain experience needed as a CEO and deepen their knowledge of nascent advanced technologies and global marketing through engaging in work at BTMU and MURC to support venture businesses. They will also be dispatched to Draper University, a training institution for entrepreneurs run by the Draper Venture Network, to work together with people aiming to launch ventures from around the world and nurture the required entrepreneurial spirit. *MUFG News Release*



Mizuho launches “BlackRock Japan Multi–Income Equity Fund” in Hong Kong - Mizuho Financial Group, Inc. in cooperation with BlackRock Asset Management North Asia Limited launched



“BlackRock Japan Multi–Income Equity Fund” in Hong Kong based on the business alliance between Mizuho and BlackRock, Inc. “BlackRock Japan Multi–Income Equity Fund” is a mutual fund investing in Japanese equity and J–REIT for investors in Hong Kong. The fund is managed by BlackRock Asset Management North Asia Limited and advised by Mizuho; Japanese equity strategy is advised by Mizuho Trust & Banking Co., Ltd. and J–REIT strategy is advised by Mizuho Asset Management Co., Ltd. Mizuho and BlackRock cooperate to provide asset management capabilities and offer an investment product focusing on Japanese economic growth to the Hong Kong market. The fund will be distributed to the Hong Kong retail market through the distribution channels of BlackRock. The launch of the fund further develops Mizuho’s asset management capabilities and enhances its product development capabilities in asset management business, which is one of Mizuho’s key focus areas. *Mizuho News Release*

Toyota and Sumitomo Mitsui Banking Corporation to invest in new investment fund established by SPARX Group Co., Ltd - SPARX Group Co., Ltd. announces the establishment of a new investment fund that aims to encourage innovation and support the spread of advanced technologies for future generations, based on a memorandum of understanding signed in July this year with Toyota Motor Corporation (TMC) and Sumitomo Mitsui Banking Corporation (SMBC). TMC and SMBC plan to participate in this fund as investors. The fund is to be named “Mirai Creation Investment Limited Partnership” and aims to help accelerate innovation by investing in enterprises that possess technologies capable of leading growth for future generations. It will also build a portfolio of promising businesses, and realize the potential of technologies and ideas that can transform the future by promoting them on a global scale. Core fields for the fund will include AI, robotics, and technologies to help make a hydrogen-based society a reality. The fund will invest in enterprises possessing innovative technologies in these fields, as well as related projects. *SMBC News Release*



BML extends Internet Banking and Mobile Banking Services for visually-impaired customers - Bank of Maldives (BML) on October 29 announced that Internet Banking and Mobile Banking has now been extended to individuals with visual impairments. With this step, visually-impaired customers will now have access to banking services at any time, through the BML Mobile Banking App or Internet Banking. Commenting on this service, Retail Banking Director Mohamed Shareef stated “BML has made significant investments in improving customer service and extending banking services across the country. Today, we are very pleased to be able to extend online and mobile banking to an important segment of our customer base who can now manage their banking anytime, anywhere. The service is provided under agreement with the customer and their legal guardian. The bank started issuing Debit Cards to visually-impaired customers under a similar procedure during last year. *BML News Release*



Maybank expands private wealth business to Sarawak -

Malayan Banking Bhd (Maybank) has expanded its wealth management business to Sarawak with the opening of a new Private Wealth Centre in Kuching and located within the existing Maybank Crown Towers Premier Centre. Maybank’s global network of private wealth centers now stands at five with its other centres located in Kuala Lumpur, Singapore, Hong Kong and London, the bank said. In a statement on November 17, Maybank said wealth management remained a key pillar of its growth over the next few years. As at September 2015, its total private wealth business recorded some RM20bil in total financial assets (TFA). Combined with its premier wealth segment, the total wealth management business tipped the scale at RM150bil. Head of regional private wealth, Alvin Lee, said the Kuching center was the first such facility in East Malaysia, and it complemented the existing network of six Premier Wealth Centres in Sabah and Sarawak. *The Star*



DBP extends loan to women entrepreneurs -

The Development Bank of the Philippines (DBP) has granted a P5-million credit facility to Earth Life Store Supply, Inc. (ECHO Store), a corporation run by a team of women entrepreneurs who call themselves “Power of Three Women.” The team is composed of president Maria Regina Francisco, corporate secretary Pacita Juan, and treasurer Marie Jeanne Javelosa. Said credit facility shall be used to partly finance the company’s working capital to sustain its growing operations and for the expansion needs of its branches. ECHO Store has branches operating in Serendra, Fort Bonifacio Global City; The Podium, Ortigas Center, Mandaluyong City; Eton Centris Walk, Quezon City; Robinson’s Highlands, Davao City; Streetscape Mall, Cebu City; and in its main office at Salcedo Village, Makati City. This credit facility is supportive of DBP’s Inclusive Lending for Aspiring Women (ILAW) entrepreneurs program which aims to empower women entrepreneurs, help businesses grow beyond micro-credit, create more jobs, and tap into the network of women’s organizations. *Manila Bulletin*



RCBC net income breaches P1B in third quarter -

Yuchengco-led Rizal Commercial Banking Corp. (RCBC) grew profits by more than a tenth in the third quarter of the year amid an expansion of lending across all market segments. As a result, the mid-tier bank’s year-to-date earnings rose by more than a fifth. For the three-month period ending September, RCBC’s net income reached P1.11 billion representing an increase of 11 percent over the P995 million reported last year for the comparable quarter. “RCBC is seeking to grow its client base to 12 million in the medium term, with expansion plans in the pipeline and products and services such as retail business lending and MyWallet meant to further tap small investors and target the unbanked,” the firm said in a statement. RCBC is opening 23 more branches before end-2015. The bank’s core businesses continued to consolidate with net interest income reaching P11.46 billion for the three-month period. Net interest income reached P4 billion, 10-percent higher over the P3.66 billion reported last year for the comparable quarter. *Inquirer*



DBS, POSB customers can withdraw more cash at more retail outlets - DBS Bank and POSB customers will be able to withdraw up to S\$200 with any purchase at all Cold Storage, Market Place, Jasons and Giant stores in Singapore, the local bank announced on November 5.



Customers can use the complimentary service with a DBS or POSB debit or credit card linked to a savings account. With the latest expansion, there are now around 800 Cash-Point locations islandwide, making it close to 2,000 places to withdraw money for DBS and POSB customers across the country. The announcement follows last year's expansion, where customers were able to withdraw S\$100 with any purchase at all Guardian Health and Beauty and Sheng Siong stores. The S\$100 limit remains for these stores. The service was introduced in partnership with 7-Eleven in July 2013, where there is also a S\$100 withdrawal limit. The bank said that the average number of Cash-Point transactions every month has risen by 115 percent since 2014, with the average customer withdrawing S\$50 per transaction. *Channel News Asia*

UOB's PE unit leads US\$23m Series B in Taiwan startup - UOB Venture Management has led a Series B investment of US\$23 million in Taiwan-based Appier - accounting for about a third of the amount. Appier is a startup that uses artificial intelligence (AI) to predict consumer behaviour



across screens - smartphone, tablet, desktop and even smartwatch - to enable brands to reach consumers where and when it matters most. "We are living in a post-mobile era: the era of cross screen," said Chih-Han Yu, chief executive and co-founder of Appier, on November 4. As the number and types of screens multiply, and with nearly 40 percent of multi-screen users today operating more than three devices, advertisers trying to reach customers online face "mounting complexity", a recent report by Appier has found. Said Mr Yu: "AI is the best approach to resolve this complexity and make cross screen easy." *Business Times*

Bank of Taiwan inks MOU with Mizuho Bank to boost cooperation - The Bank of Taiwan (BOT), the largest lender in Taiwan, and Japan's third largest bank, Mizuho Bank, signed a memorandum of understanding (MOU) on cooperation October 20 that is believed to be able to boost their interbank operations and offer their clients more comprehensive services. The MOU was sealed by BOT Chairwoman Lee Jih-chu and Mizuho Bank President and CEO Nobuhide Hayashi in Tokyo. In her address, Lee touted the two veteran banks' recognized reputation, saying the MOU represents a marriage of two excellent brands and their business strengths. The deal will facilitate the promotion of interbank operations between the two and help develop more comprehensive services for clients, she said. Under the MOU, the two banks will kick off cooperation and exchanges in the fields of syndicated lending, trade lending, funding support, electronic finance, personnel training and trust management, Lee added. *The China Post*



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CTBC plans to buy stake in China's Life Insurance Co. - CTBC Financial Holding Co on November 9 announced that it is to continue negotiations with China's ABC Life Insurance and that it expected to conclude the talks before the end of this year. CTBC Financial in August last year announced plans for its insurance unit, CTBC Life Insurance Co to acquire a 19.99 percent stake in ABC Life Insurance Co Ltd for NT\$8.5 billion (US\$258.8 million). However, the timetable for the acquisition has since lapsed amid rumors of discord between the management team of ABC Life Insurance and King Dragon Life Insurance Co Ltd, a Xiamen-based cross-strait joint venture launched by Taiwan Life Insurance Co. CTBC Life chief strategy officer Yeh Po-heng told an investors' conference that the company is currently renegotiating contract terms with ABC Life Insurance, but declined to give details while talks remain under way. *Taipei Times*



CTBC HOLDING
中國信託金控

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Vietcombank restores ATM services for foreigners

- After a period of interruption, the Bank for Foreign Trade of Vietnam (Vietcombank) on November 19 resumed money transfers via automated teller machines (ATM) to non-residents and foreign residents in Vietnam. Non-residents are foreigners who live in Vietnam for less than one year while foreign residents are those who live in this country for more than one year. Vietcombank put on hold the money transfer service via ATMs and accounts or cards of non-residents and foreign residents in Vietnam in August last year. On November 12, the bank announced on its website to suspend money transfers to non-residents and foreign residents. Transactions relating to transfer money from cards and accounts of other banks to Vietcombank foreigners' accounts were also invalid. The bank explained that the move was to comply with the existing regulations, as money transfer transactions via ATMs and cards and customer profiles were not properly checked. *Vietnam News*



Banking and Finance Newsbriefs**China- China's economy faces considerable downward pressure, Xi says**

Chinese President Xi Jinping acknowledged downside risks to growth while assuring fellow leaders that Asia's biggest economy is resilient and will remain on the path of reform.

China is working to overcome the challenges of slowing global growth this year by advancing reforms and won't change its policy on foreign investment, Xi said at the Asia-Pacific Economic Cooperation chief executives summit in Manila on November 18.

"In general, China's positive economic fundamentals and long-term trajectory remain unchanged," Xi said, taking the stage after U.S. President Barack Obama. "On the other hand, China's economy is still coping with the complicated internal and external environment, considerable downward pressure and the temporary pain of deep reforms."

China is on pace for the slowest expansion in 25 years, a worry for Asia's smaller economies which have become increasingly reliant on it for export demand. Leaders are stepping up fiscal stimulus after six interest rate cuts in the past year failed to spur a revival in growth. *Bloomberg*

Hong Kong- Hong Kong 3rd-Quarter GDP grows better-than-expected 2.3% from year ago

Hong Kong's economy grew by a better-than-expected 2.3% year-over-year in the third quarter but decelerated from the previous quarter's 2.8% expansion, partly dragged down by weakening private consumption, the government said November 13.

The latest growth rate was faster than the median 1.9% increase forecast by four economists polled by The Wall Street Journal.

On a sequential basis, gross domestic product expanded 0.9% in the third quarter, accelerating from the previous quarter's 0.4% expansion and above the poll's median forecast for a 0.4% rise.

Private consumption, which makes up about two thirds of Hong Kong GDP, rose 4.3% year-over-year during the quarter-- down from a 6.1% expansion in the second quarter.

The government forecast the city's GDP would grow 2.4% this year, after a 2.5% expansion in 2014. *Nasdaq*

India- Low oil prices favoured Indian economy: Jaitley

Low oil prices have created a favourable environment for the Indian economy as it helped to absorb the loss faced by oil companies and kept inflation under control, India Finance Minister Arun Jaitley said on November 16.

Jaitley said that low oil prices also enabled the government to rationalise subsidies.

"It has enabled us to absorb the loss that our own oil companies were facing because of future purchases. It has also kept inflation under control, which, in turn, has helped the Reserve Bank to ease up the rates.

"It has also enabled us to increase the cess around fuel which has been diverted for infrastructure creation," he said told reporters during a press briefing.

Oil prices, at the levels they have been during the last few months, created a favourable environment for the Indian economy, he said. He also said that low oil prices also means effectively transfer of wealth from the producing nations to the consuming nations. *The Hindu*

Malaysia- Malaysia stimulus plans hampered as Islamic bond market is hit

Prime Minister Najib Razak's plan to revive Malaysia's faltering economy is getting no help from the country's Islamic bond market.

Yields on government 10-year sukuk, used by companies to gauge the cost of Shariah-compliant financing, are at their highest level in 18 months relative to two-year securities, according to data compiled by Bloomberg. And with the slide in Brent crude prices sapping Malaysia's oil-export revenue against a backdrop of looming US interest-rate increases, investors say longer-term borrowing won't be getting cheaper anytime soon.

"With the US expected to raise interest rates soon, Malaysia's yield curve will remain steep next year," said Elsie Tham, a senior fund manager at Kuala Lumpur-based Manulife Asset Management Services Bhd who oversees more than US\$1 billion. "Companies will find it challenging to raise funds because of slower economic growth." *The Straits Times*

Japan- Japan's economy contracts again

Japan's economy shrank again in the third quarter, underscoring the challenges Prime Minister Shinzo Abe faces in trying to engineer a sustainable recovery.

Yet the contraction was relatively mild, and a decline in inventories was the biggest factor. Japanese government officials highlighted the positive, expressing confidence that a recovery was already under way.

"Of course I believe the economy will return to positive growth in the fourth quarter," Economy Minister Akira Amari said on November 15.

Mr. Amari said a fiscal stimulus package to be prepared by the end of the year would focus on targeted measures such as direct help for the poor and more child-care facilities for working parents. The package is expected to total around ¥3 trillion (\$25 billion).

Gross domestic product—the broadest measure of a nation's economic activity—shrank at an annualized pace of 0.8% in the July-September period from the previous quarter, government data showed November 16. That followed a revised 0.7% contraction in the second quarter. Two consecutive quarterly contractions is commonly considered a technical recession. It was the second in two years for Japan. *Wall Street Journal*

Korea- South Korea's economy expands at fastest clip in 3 quarters

South Korea's economy expanded 2.6 percent in the July-September quarter from a year earlier, the fastest annual clip in three quarters, the Bank of Korea said on October 23, showing a recovery from the Middle Eastern respiratory syndrome crisis that gripped the country in the summer.

The result was better than expected. Asia's fourth-largest economy took a hit after a deadly outbreak of MERS in the country, prompting tourists to cancel trips and keeping local residents away from shopping malls and concert halls.

Consumer spending and construction drove growth, the data showed, overcoming the negative impact of a decline in exports, due partly to weaker demand from China.

Compared to the previous quarter, the economy gained 1.2 percent, the first time in 18 months that growth exceeded 1 percent on a quarterly basis. It was also the fastest quarter-to-quarter growth rate in five years. *Associated Press*

Philippines - Philippine president pushes for evolution, innovation in braving 'disruptions'

President Benigno Aquino III urged businesses and fellow leaders of the Asia-Pacific Economic Cooperation (Apec) member-economies to cooperate in order to weather "disruptions."

In his speech to open the 2015 Apec Business Advisory Council (Abac) dialogue with leaders on November 18, Aquino said there was a need to innovate in order for businesses and governments in member-economies to adapt to disruptions which could either be beneficial or detrimental.

"The effectivity of government and business is measured by how they cope with disruption."

"Confronted by an increasingly complex, interconnected, and unpredictable world, we are all challenged to look at trends that may cause disruption, so that we can act with resilience and craft a response with inclusivity at its core, ensuring no one is left behind," Aquino said. *Inquirer*

Taiwan- Taiwan ranks 11th in global Doing Business report

Taiwan placed 11th among 189 economies worldwide in the Doing Business 2016 survey released Oct. 28 by the World Bank.

Scoring 80.55 points out of a possible 100, the nation moved up eight places in the latest edition of the global survey. Singapore, New Zealand and Denmark were the top three in that order.

The ranking is Taiwan's best ever performance in the report. The country has climbed 50 places over the past seven years, demonstrating that economic reforms enacted since 2008 are paying dividends, according to the National Development Council.

"These efforts aim to bring local business practices and legal frameworks in line with global standards, and also include measures to bolster infrastructure development and government efficiency," an NDC official said. *Taiwan Today*

Vietnam- Vietnam growth masks weak local firms in 2-speed economy

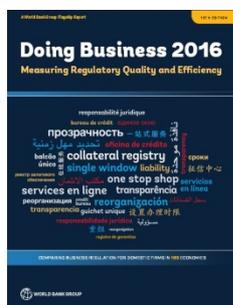
Vietnam's export-driven economy is set to grow at its fastest pace in eight years in 2015 and its foreign firms in the country that are riding the wave, leaving local companies lagging far behind.

Foreign-owned businesses shipped 70 percent of Vietnam's total exports so far this year, up from 44 percent five years ago, raising risks for the economy should any of those companies pull out. While the foreign sector posted exports growth of 21 percent in the third quarter from a year earlier, domestic companies saw a 10 percent decline, figures from Vietnam's customs department show.

The divergence in export success between foreign and domestic firms is creating a two-track economy that would be vulnerable to a slowdown should foreign companies move their operations elsewhere in search of cheaper labor. The dichotomy is similar to that experienced by some of Vietnam's neighbors in the early years of their industrialization drives. It is also complicated by a banking restructuring aimed at lowering bad debts, which has left many Vietnamese companies without access to capital, making it harder for them to compete internationally. *Bloomberg*

Publications

Doing Business 2016: Measuring Regulatory Quality and Efficiency



Doing Business 2016: Measuring Regulatory Quality and Efficiency, a World Bank Group flagship publication, is the 13th in a series of annual reports measuring the regulations that enhance business activity and those that constrain it. Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 189 economies—from Afghanistan to Zimbabwe—and over time.

Doing Business measures regulations affecting 11 areas of the life of a business. Ten of these areas are included in this year's ranking on the ease of doing business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures labor market regulation, which is not included in this year's ranking.

Data in Doing Business 2016 are current as of June 1, 2015. The indicators are used to analyze economic outcomes and identify what reforms of business regulation have worked, where and why. This year's Doing Business report continues a two-year process of introducing improvements in 8 of 10 Doing Business indicator sets—to complement the emphasis on the efficiency of regulation with a greater focus on its quality.

Contact for details: World Bank Publications

Website: <https://publications.worldbank.org>

The Asian Currency Unit, Deviation Indicators, and Exchange Rate Coordination in East Asia: A Panel-Based Convergence Approach



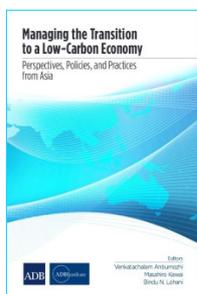
This paper examines the convergence in the movements of East Asian currencies against the Asian Currency Unit.

Employing the panel convergence method of Phillips and Sul (2007) to the nominal deviation indicators of two recent unofficial constructions of the Asian Currency Unit (ACU) index, this paper examines the existence and extent of convergence in the movements of East Asian currencies against the ACU. Empirical results reveal that intra-East Asian exchange rate movements have not converged to form a cohesive, unified bloc where currencies share homogenous movements, regardless of whether one examines the data on intra-East Asian exchange rate movements before or after the collapse of Lehman Brothers in September 2008. Instead, a separate number of convergent clubs or blocs in the region have formed in recent years. Finally, and most importantly, economies in the region are, generally, converging at different speeds to two opposing poles of convergence: groups of relatively depreciating currencies, and groups of relatively appreciating currencies.

Contact for details: ADB Publishing

Website: www.adb.org/publications

Managing the Transition to a Low-Carbon Economy: Perspectives, Policies, and Practices from Asia



The book assesses the low-carbon and green policies and practices taken by developed Asian countries, identifies gaps, and examines new opportunities for low-carbon green growth.

Asia must be at the center of the global fight against climate change. It is the world's most populous region, with high economic growth, a rising share of global greenhouse gas emissions, and the most vulnerability to climate risks. Its current resource- and emission-intensive growth pattern is not sustainable. This study recognizes low-carbon green growth as an imperative—not an option—for developing Asia.

Asia has already started to move toward low-carbon green growth. Many emerging economies have started to use sustainable development to bring competitiveness to their industries and to serve growing green technology markets.

The aim of this study is to share the experiences of developed Asian economies and the lessons they have learned. The book assesses the low-carbon and green policies and practices taken by developed Asian countries, identifies gaps, and examines new opportunities for low-carbon green growth.

Contact for details: ADB Publishing

Website: www.adb.org/publications



The Asian Bankers Association (ABA) serves as a forum for advancing the cause of the banking industry and promoting regional economic cooperation. Established in 1981, it provides a venue for an exchange of views and information on banking opportunities in the region; facilitating networking among bankers; and encouraging joint activities that would enhance its members' role in servicing the financial needs of their respective economies and in promoting regional development. With 100 members from 25 Asian countries, the ABA holds annual meetings and conferences on issues of concern to the banking sector, with the view to broadening its members' perspective on the situation and opportunities in the region. For more details, visit <http://www.aba.org.tw>

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