General Meeting and Conference

Vietcombank to host 33rd ABA Conference in Halong Bay

The 33rd ABA General Meeting and Conference in 2016 will be hosted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank). The annual gathering will take place in one of the UNESCO World Heritage sites, Halong Bay, which is located in Quang Ninh Provice, northeast of Vietnam.

About the Host Organization

Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), formerly known as Bank for Foreign trade of Vietnam, was established on April 1, 1963 from the Foreign Exchange Bureau (of the State Bank of Vietnam). Being the first state commercial bank chosen for pilot privatization by the government, Vietcombank officially came into operation on June 2, 2008, after successfully implementing the equitization plan through IPO. Vietcombank officially listed on the Ho Chi Minh Stock Exchange (HOSE) on June 30, 2009.

During more than 50 years of development, Vietcombank has contributed significantly to the stability and growth of national economy, upholding the role of a major foreign trade bank in facilitating efficient domestic economic growth as well as influencing considerably on regional and global financial community.

Originated as a specialized bank for foreign trade, Vietcombank provides customers with a wide range of leading financial services in international trade; traditional services such as capital trading, capital mobilization, credit, project financing etc., and modern banking segment such as forex trading and derivatives, card services, e-banking and so on.

Vietcombank has many advantages of applying advanced technology into the automatic banking system, products development, e-banking services, based on its high technology foundation. Products such as Internet Banking, VCB Money, SMS Banking, Phone Banking have always attracted a great deal of customers by its convenience, promptness, safety, efficiency, creating the habit of non-cash payments amongst the mass.

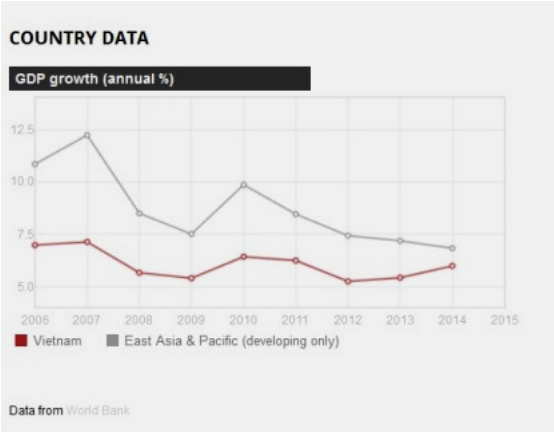
After more than a half-century operating in the market, Vietcombank currently has over 14,000 employees, more than 400 branches/ transaction offices/ representative office/ affiliates both in Vietnam and abroad, including Head Office in Hanoi, 1 Operation Center, 1 Training Center, 89 branches, over 350 transaction offices all over the country, 2 subsidiaries in Vietnam, 2 subsidiaries and 1 representative office in other countries, 6 joint ventures. In addition, Vietcombank has also developed an Autobank system with over 2100 ATMs and more than 49,500 Points of Sale nationwide. Bank's operations are supported by a network of more than 1,800 correspondent banks in 155 countries and territories.

Vietnam at a Glance

Data and Text Source: World Bank

Population	90.73 million (2014)
GDP	$186.2 million (2014)
GDP growth	6.0% (2014)
Inflation	4.1% (2014)

Vietnam is a development success story. Political and economic reforms (Doi Moi) launched in 1986 have transformed the country from one of the poorest in the world, with per capita income around $100, to lower middle income status within a quarter of a century with per capita income of over $2,000 by the end of 2014.



Vietnam has also made remarkable progress in reducing poverty. Using the $1.90 2011 Purchasing Power Parity (PPP) line, the fraction of people living in extreme poverty dropped from over 50% in the early 1990s to 3% today. Concerns about poverty are increasingly focused on the 15% of the population who are members of ethnic minority groups. These groups account for more than half the poor, and progress on ethnic minority poverty reduction has slowed.

Vietnam's growth rate averaged 6.4% per year in the 2000s, but begun to slow in the wake of the global financial and economic crisis. However, driven by strengthening domestic demand, GDP has accelerated to 6.3% during the first half of 2015, the fastest first-half-of-the-year growth rate in the past five years. Vietnam has managed to improve macroeconomic stability, with the consumer price index rising only 0.6% year-on-year in August 2015, down from 4.3% a year earlier.

According to a recent report co-published by the Government of Vietnam and the United Nations in September 2015, Vietnam has completed a number of Millennium Development Goals (MDGs) and targets such as (i) eradicate extreme poverty and hunger, (ii) achieve universal primary education, (iii) promote gender equality in education and it has achieved certain health-related indicators such as reducing the maternal mortality ratio and the child mortality ratio. The country also achieved the target for malaria and tuberculosis control as well as combating the HIV/AIDS prevalence rate and is on the way towards reaching the targets for universal access to reproductive health services and improving maternal health.

The Socio-Economic Development Strategy (SEDS) 2011-2020 gives attention to structural reforms, environmental sustainability, social equity, and emerging issues of macroeconomic stability. It defines three "breakthrough areas": (i) promoting human resources/skills development (particularly skills for modern industry and innovation), (ii) improving market institutions, and (iii) infrastructure development.

Photo credit: www.hanoitohalongbay.com

The five-year Socio-Economic Development Plan (SEDP 2011-2015) elaborated objectives for the first five years of the SEDP including high quality and sustainable economic growth, improved living standards of ethnic minority populations, strengthened environmental protection; and mitigation and prevention of the adverse impacts of climate change. In addition to the elaboration of three SEDS breakthrough areas, the SEDP 2011-2015 identified three critical restructuring areas – the banking sector, state-owned enterprises (SOEs) and public investment that are needed to achieve these objectives.

The Government has recently paid increasing attention to improving the business environment, with two Resolutions issued in March 2014 and March 2015, setting out concrete actions to remove obstacles to doing business in Vietnam, with a goal of achieving a business environment comparable to the average of the ASEAN-6 group. *World Bank*

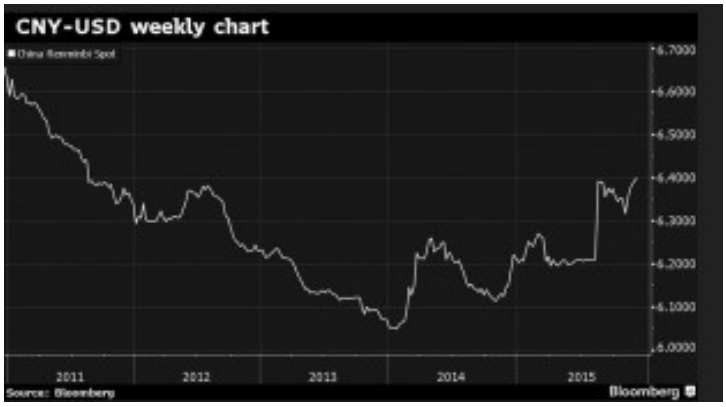
ABA Conference delegates enjoy one-day Taiwan tour *- The recently-concluded 32nd ABA General Meeting and Conference wrapped up with a one-day Taiwan city tour for all delegates on November 14, 2015. The delegates enjoyed a trip to the countryside as they visited Yehliu Geopark and Pingxi District on the northeast coast of Taipei.*

News Updates

IMF Approves Reserve-Currency Status for China's Yuan

The IMF will add the yuan to its basket of reserve currencies, an international stamp of approval of the strides China has made integrating into a global economic system dominated for decades by the U.S., Europe and Japan.

The International Monetary Fund's executive board, which represents the fund's 188 member nations, decided the yuan meets the standard of being "freely usable" and will join the dollar, euro, pound and yen in its Special Drawing Rights (SDR) basket, the organization said on November 30 in a statement. Approval was expected after IMF Managing Director Christine Lagarde announced Nov. 13 that her staff recommended inclusion, a position she supported.



It's the first change in the SDR's currency composition since 1999, when the euro replaced the deutsche mark and French franc. It's also a milestone in a decades-long ascent toward international credibility for the yuan, which was created after World War II and for years could be used only domestically in the Communist-controlled nation. The IMF reviews the composition of the basket every five years and rejected the yuan during the last review, in 2010, saying it didn't meet the necessary criteria.

"The renminbi's inclusion in the SDR is a clear indication of the reforms that have been implemented and will continue to be implemented and is a clear, stronger representation of the global economy," Lagarde said on November 30 during a press briefing at the IMF's headquarters in Washington. Renminbi is the currency's official name and means "the people's currency" in Mandarin; yuan is the unit.

The addition will take effect Oct. 1, 2016, with the yuan having a 10.92 percent weighting in the basket, the IMF said. Weightings will be 41.73 percent for the dollar, 30.93 percent for the euro, 8.33 percent for the yen and 8.09 percent for the British pound. The dollar currently accounts for 41.9 percent of the basket, while the euro accounts for 37.4 percent, the pound 11.3 percent and the yen 9.4 percent.

The yuan weakened in offshore trading on December 1 amid speculation China's central bank will rein in intervention now that the IMF vote on reserve-currency status is out of the way. The long-term goal is for very few interventions, People's Bank of China Deputy Governor Yi Gang said at a briefing, adding that bigger two-way fluctuations are normal.

In a preliminary report in July, IMF staff estimated the yuan would have a weight of about 14 percent to 16 percent. The weighting will affect the interest countries pay when they borrow from the IMF. It may also affect the scale of inflows the Chinese currency receives in the coming months.

Monetary System

The decision establishes the yuan as a fixture in the very international monetary system Chinese leaders criticized following the global financial crisis. In a landmark 2009 speech,

PBOC Governor Zhou Xiaochuan argued a global system so reliant on a single currency -- the U.S. dollar -- was inherently prone to shocks. That conviction set off a global push by China's leaders, including now-President Xi Jinping, to have the yuan included in the SDR, which countries can use to supplement their currency reserves.

The IMF staff recommendation was based on increasing international use and trading of the yuan, policy reforms that allow yuan to be used smoothly in SDR operations, and steps by China to step up data disclosure, the fund said. A more detailed staff report will be released, IMF officials said.

"It's a big win for Beijing as they look to bolster their image and to get the respect they think they deserve," said Timothy Adams, president of the Institute of International Finance and a former U.S. Treasury undersecretary.

Photo credit: Agence France Presse

The IMF endorsement is a bright spot in what has been a tumultuous year for the world's second-biggest economy, which has been buffeted by slowing growth, a tumbling stock market and a shift by authorities toward a more market-oriented exchange rate.

The IMF's decision is a "win-win" for both China and the world and acknowledges China's achievements in economic development and reform, the PBOC said in a statement on its website. The U.S. supported the fund's staff recommendation to add the yuan, the Treasury Department said in an e-mailed statement without elaborating.

Approval is unlikely to have much impact on short-term demand for the yuan, given the SDR's minor share of global reserves, according to economists at banks including HSBC Holdings Plc and ING Groep NV.

Adams said that rising demand may be "evolutionary" and "a process that will likely be pronounced."

The decision should boost efforts by Xi to open up China's financial markets. China implemented a series of reforms to win IMF support, such as opening its onshore bond and currency markets to foreign central banks and reporting its reserves to the IMF.

G-20 Host

The question is whether China, which will host meetings of the Group of 20 economies next year, will try to leverage the IMF's support to pursue broader changes to the global monetary system. In his 2009 speech, Zhou suggested the IMF expand the use of the SDR to tap its potential as a "super-sovereign reserve currency."

The IMF's move may also spur political blowback in the U.S., where Republican lawmakers have blocked efforts to expand the voting shares of China and other emerging-market economies at the fund. Senator Bob Casey, a Pennsylvania Democrat, said in an e-mailed statement that the decision "validates China's history of cheating on its currency," a history that's hurt jobs and wages in his state.

The Washington-based fund created the SDR in 1969 to boost global liquidity. Under the Bretton Woods system of fixed exchange rates, countries pegged their currencies to the U.S. dollar. But for nations to increase their dollar reserves, the U.S. would have to run persistent current-account deficits, threatening the value of the greenback.

The SDR addressed this dilemma by serving as a supplementary reserve asset to augment countries' gold and dollar holdings. While the SDR isn't technically a currency, it gives IMF member countries who hold it the right to obtain any of the currencies in the basket to meet balance-of-payments needs. *Bloomberg*

APEC leaders: Intensify efforts for MSMEs, embrace digital economy

The 21 Asia-Pacific Economic Cooperation (APEC) member-economies called for more intensive efforts to help micro, small, and medium enterprises (MSMEs) penetrate global value chains.

The APEC leaders concluded their meeting in Manila on November 19 by issuing the 23rd APEC Economic Leaders' Meeting Declaration titled Building Inclusive Economies, Building a Better World: A Vision for an Asia-Pacific Community.

The APEC leaders reiterated their directives to the ministers: Implement actions laid out in the Philippine-initiated Boracay Action Agenda to Globalize MSMEs and report progress by 2020.

The Boracay action plan aims to help the MSMEs access the global market through trade facilitation, e-commerce, financing, and institutional support.

The 21 APEC leaders also welcomed the APEC Iloilo Initiative: Growing Global MSMEs for Inclusive Development, and support the creation of the APEC MSME Marketplace to provide opportunities for business and strengthen collaboration with public and private organizations that will support their development.

"Throughout the year, representatives from all member economies held 229 meetings to advance our individual economies and the region at large. During this time, we have seen our locales lend their names to strategies that will help empower small and medium enterprises, among others," Philippine President Benigno Aquino III told a press conference in Pasay City on November 19.

"There is, for instance, the Boracay Action Agenda, which will help micro, small, and medium enterprises access the global and regional markets. Complementing this is the Cebu Action Plan (CAP), which will widen entrepreneurial access to financial markets. Among its other benefits will be lowering the cost of remittances," Aquino added.

Photo credit: Malacanang Photo Bureau

The APEC 2015 Leaders' Declaration statement also read, "we are mindful that despite the unprecedented economic growth that has lifted millions of people out of poverty, it continues to be a reality for millions of others in our region. We call for more intensive efforts for its reduction and eradication."

Financial inclusion

The leaders also declared financial integration that through moving toward more liberalized financial services and capital accounts, while maintaining adequate safeguards as

well as increased access to finance for MSMEs and businesses in the supply chain, will foster greater trade and investment in the region.

The APEC leaders also said they recognize the importance of MSMEs' access to finance as a key enabler of their expansion, internationalization, and productivity improvement. They also welcomed commitment made by the private sector and international finance organizations through the recently launched Financial Infrastructure Development Network under the CAP.

Resilience against disasters, financial crises, and other unexpected events were also underscored by the APEC leaders. "In addressing these challenges, we recognize the important role of public finance such as credit guarantee systems designed for MSME operational continuity and the importance of enhancing closer collaboration with relevant public and private sector institutions," the declaration read.

Global value chain integration

Also, MSMEs – which account for about a third of the gross domestic product and represent 96% to 98% of all registered businesses – have a hard time penetrating global value chains as they continue to face financial and non-financial barriers.

"We underscore the significance of the participation of MSMEs in global commerce to inclusive growth and will take action to facilitate such participation," the statement of 21 APEC leaders read.

"We recognize that internationally-oriented MSMEs can make substantial contributions to poverty reduction through employment creation, productivity improvements, and economies of scale," the APEC leaders added in the statement.

In a briefing, Aquino noted APEC's role as incubator of next generation policy ideas and initiatives, and a mechanism for facilitating implementation across the region's diverse member economies.

Embrace digital economy

The APEC leaders also emphasized opportunities that the Internet and digital economy can offer to achieve innovative, sustainable, inclusive, and secure growth.

"The Internet and digital economy will allow businesses, especially MSMEs, to participate in global value chains and reach a wider consumer base through new business models," the statement read.

"With regard to MSME development, the leaders commit to continue to promote cross-border privacy, and to protect consumer interests.

They also instructed their ministers to advance the work to facilitate the Internet and digital economy.

"We instruct officials to implement the Work Plan for Facilitating Digital Trade for Inclusive Growth as a Potential Next Generation Trade and Investment Issue," the APEC leaders said. *Rappler.com*

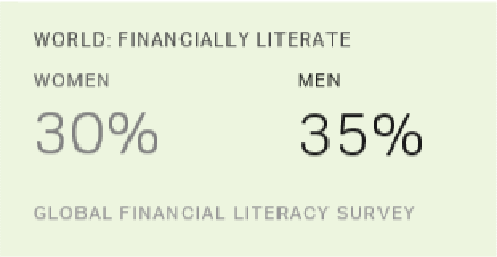
Two in three adults worldwide are Financially Illiterate: S&P

By Justin McCarthy and Anita Pugliese

Gallup

Two-thirds of adults worldwide are financially illiterate, with sizable gaps between men's and women's financial literacy.

These data are from Standard & Poor's Ratings Services Global Financial Literacy Survey of more than 150,000 adults in 148 countries in 2014. Adults were tested on their knowledge of four basic financial concepts: risk diversification, inflation, numeracy and compound interest. Respondents were considered financially literate if they were able to correctly answer questions about three of the four concepts.



Data were collected via the Gallup World Poll, and researchers from the World Bank Development Research Group and the Global Financial Literacy Excellence Center at George Washington University conducted the analysis. The findings represent the world's largest, most comprehensive global measurement of financial literacy to date.

Scandinavian countries have the highest financial literacy rates globally, with Norway, Denmark and Sweden at 71% each. Israel (68%), Canada (68%), the United Kingdom (67%), the Netherlands (66%) and Germany (66%) are also among the most financially literate countries in the world.

Yemen (13%), Albania (14%) and Afghanistan (14%) are the least financially literate populations worldwide, with one in seven or fewer residents financially literate.

Among the world's largest economies with democratic systems of government, also known as the G7, Italy had the lowest financial literacy rate (37%), while Canadians were the most literate (68%).

Globally, there is a five-percentage-point gender gap in financial literacy: 35% of men are financially literate, compared with 30% of women. Gender gaps are present in most countries, even in highly developed ones. The gender gap is pronounced in the U.S., for example, where men's financial literacy is 10 points higher than American women's. In addition to these divides, the U.S. also suffers from large financial literacy gaps by income and education.

Countries Where Residents Are the Most Financially Literate

	% Financially literate
Norway	71
Denmark	71
Sweden	71
Israel	68
Canada	68
United Kingdom	67
Netherlands	66
Germany	66
Australia	64
Finland	63
New Zealand	61

Standard & Poor's Ratings Services Global Financial Literacy Survey, 2014

GALLUP

Fifty-seven percent of U.S. adults overall are financially literate, with the U.S. ranking 14th in the world in financial literacy. U.S. adults have a relatively weak understanding of compound interest, the survey found. Even among those who have a credit card or who finance their homes, one-third of respondents could not correctly answer the compound interest questions.

Countries Where Residents Are the Least Financially Literate

	% Financially literate
Yemen	13
Albania	14
Afghanistan	14
Somalia	15
Angola	15
Tajikistan	17
Haiti	18
Armenia	18
Nepal	18
Cambodia	18
Kyrgyzstan	19
Bangladesh	19

Standard & Poor's Ratings Services Global Financial Literacy Survey, 2014

GALLUP

Bottom Line

Standard & Poor's Ratings Services Global Financial Literacy Survey offers an unprecedented, comprehensive assessment of worldwide financial literacy. This study quantifies financial literacy in more than 99% of the world's adult population, and across geographic and demographic groups. The full report can be found here.

There is a great range of financial literacy worldwide. Even in regions where the most residents are financially literate, there are still sizable financially illiterate populations -- of roughly three in 10 people in several Scandinavian countries, for example.

But while literacy rates may vary from country to country, the disparity between men and women is common worldwide, existing in highly developed and less developed countries alike.

Special Feature

The Importance and Relevance of Corporate Social Responsibility & Green Banking in Today's Market Environment

Dr. Majid Ghassemi, President and Vice Chairman of Bank Pasargad Iran, tackled the importance and relevance of Corporate Social Responsibility (CSR) and green banking at the 32nd ABA General Meeting and Conference held in Taipei. This article features the speech he delivered at the CEO Forum.

Richard Smalley, the 1996 Nobel Laureate has named Energy, water, food, environment, poverty, terrorism & war, diseases, education, democracy and population (which is expected to reach about 10 billion by 2050) as humanity's top 10 challenges for the next 50 years.

Green Banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment.

The reasons for which banks today should particularly stress on green banking are many:

1. Increasing energy consumption and energy prices;
2. Growing consumer interest in environmentally friendly goods and services;
3. Higher expectations by the public on banks' environmental responsibilities; and
4. Stricter regulatory and compliance requirements.

In essence, Green Banking is all about saving the planet. But unfortunately, we have not been very responsible citizens. Let us take a look:

Shortage of Water

Today, our planet is facing a clean water crisis. Wherever they are, people need water to survive. Not only is the human body made of 60 percent water, the resource is also essential for producing food, clothing, and computers, moving our waste stream, and keeping us and the environment healthy.

The challenge we face now is how to effectively conserve, manage, and distribute the water we have. We need to learn where freshwater resources exist; how they are used; and how climate, technology, policy, and people play a role in both creating obstacles and finding solutions.

While the amount of freshwater on the planet has remained fairly constant over time—continually recycled through the atmosphere and back into our cups—the population has exploded. This means that every year competition for a clean, copious supply of water for drinking, cooking, bathing, and sustaining life intensifies.

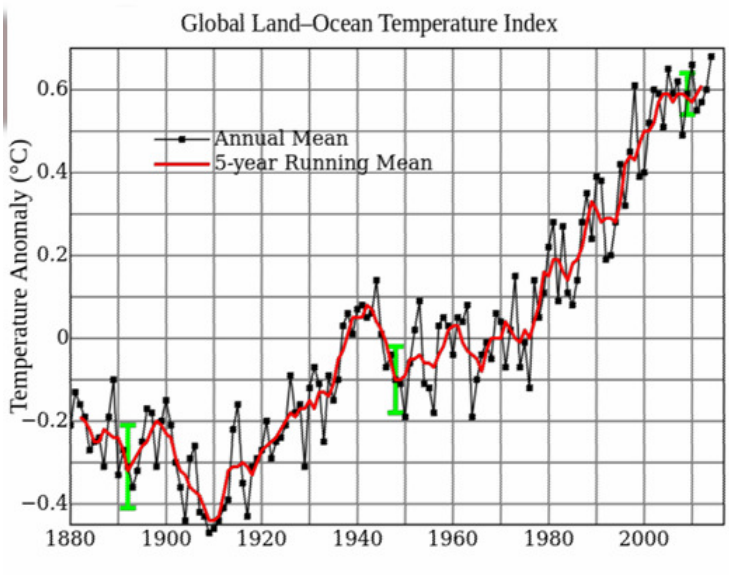
Unfortunately, humans have proven to be inefficient water users. Just a few examples: The average hamburger takes 2,400 liters, or 630 gallons, of water to produce, and many water-intensive crops, such as cotton, are grown in arid regions.

According to the United Nations, water use has grown at more than twice the rate of population increase in the last century. By 2025, an estimated 1.8 billion people will live in areas plagued by water scarcity, with two-thirds of the world's population living in water-stressed regions as a result of use, growth, and climate change.

Water scarcity is an abstract concept to many and a stark reality for others. It is the result of myriad environmental, political, economic, and social forces.

Freshwater makes up a very small fraction of all water on the planet. While nearly 70 percent of the world is covered by water, only 2.5 percent of it is fresh. The rest is saline and ocean-based. Even then, just 1 percent of our freshwater is easily accessible, with much of it trapped in glaciers and snowfields. In essence, only 0.007 percent of the planet's water is available to fuel and feed its 7 billion people.

Due to geography, climate, engineering, regulation, and competition for resources, some regions seem relatively flush with freshwater, while others face drought and debilitating pollution. In much of the developing world, clean water is either hard to come by or a commodity that requires laborious work or significant currency to obtain.



Global Warming

Global mean surface temperature change from 1880 to 2014, relative to the 1951–1980 mean is presented on this chart. The black line is the annual mean and the red line is the 5-year running mean. The green bars show uncertainty estimates. Please see how both red and black lines have moved away from zero continually upwards.

Deforestation

Almost 30 percent of the world is covered by forests. Between 2000 and 2012, 2.3 million square kilometers of forests around the world were cut down. Only 6.2 million square kilometers remain of the original 16 million square kilometers of forest that formerly covered the earth. This means that about 10 million kilometers of forest have been destroyed by us.

Desertification

Desertification is a type of land degradation in which a relatively dry land region becomes increasingly arid, typically losing its bodies of water as well as vegetation and wildlife. It is caused by a variety of factors, such as climate change and human activities. Desertification is a significant global ecological and environmental problem.

The immediate cause is the removal of most vegetation. This is driven by a number of factors, alone or in combination, such as drought, climatic shifts, tillage for agriculture, overgrazing and deforestation for fuel or construction materials. Vegetation plays a major role in determining the biological composition of the soil. Studies have shown that, in many environments, the rate of erosion and runoff decreases exponentially with increased vegetation cover. Unprotected, dry soil surfaces blow away with the wind or are washed away by flash floods, leaving infertile lower soil layers that bake in the sun and become an unproductive hardpan.

Drylands

Drylands occupy approximately 40–41% of Earth's land area and are home to more than 2 billion people. It has been estimated that some 10–20% of drylands are already degraded. These were only the main issues faced by our planet and concerns faced by our and future generations.

During the past decade, commitment to help strengthen the communities we serve in, sustainable development and preservation of the environment and protection of our beloved planet earth has become an inherent and integral part of how the banks think and operate. Strengthening communities and assisting individuals requires sustained commitment and a comprehensive approach.

Commitment to a global mission to save the environment and our endangered eco-system is an investment for our children and all future generations that all banks need to adhere to. It is clear that banks have to formulate and implement social goals and programs as well as integrate ethical sensitivity into all decision makings, policies and actions.

The Importance and Relevance of Corporate Social Responsibility & Green Banking for banks today is higher than ever before: Global warming, climate change, ethnic wars, massive population displacements, deforestation, endangered species, poverty, hunger, drought and education are all serious problems and grave issues faced by planet earth today.

It is urgent that banks meet these challenges and make a difference. Banks can and should play a major and leading role in these global efforts to preserve our planet from the ravages inflicted upon it by mankind and for the future generations.

Industrialization around the globe has triggered the pursuit of ever increasing needs and demands of the population and it has become symbolic of prosperity and development of an economy. But on the other hand, it has resulted in the exploitation of the natural environment which in turn has disturbed the ecological balance which has adversely impacted the human life and its surrounding environment.

We are all aware that increased carbon emissions and reckless development without paying attention to the environment, led to climate change. Many experts directly or indirectly link the recent industrial and natural disasters to the uneven industrialization of the globe. This in turn raises the important issue of environmental protection and sustainability, arguably being the most important agenda in the international community.

Today, environmental protection and green banking has become an integral part of the culture, strategy and objectives of most banks worldwide offering a wide array of environment friendly and green financial products and services to their clients.

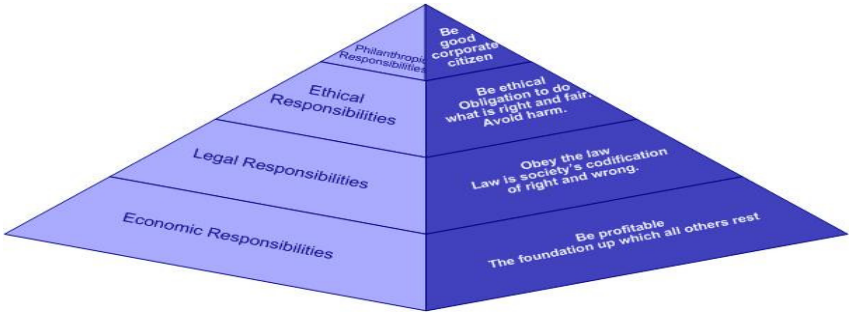
In the past, it was viewed that the banks' primary contribution to social and philanthropic matters was financial. Today, there is recognition that banks can be leaders and solution providers in this fight.

It is imperative that banks consider all the social, environmental and ecological factors with an aim to protect the environment and conserve natural resources in all their decision makings and daily operations.

Corporate Social Responsibility initiatives are no longer analyzed by banks on cost-benefit basis, but on how it preserves the environment, strengthens the local economy, changes people's lives, or how much improvement it brings to communities where we are present.

Although the term "Corporate Social Responsibility" became popular in the 1960s in the context of theories of globalization, neoliberalism and late capitalism, it is no longer regarded as a form of corporate self-regulation integrated into a passive business model, but is a fundamental and dynamic part of every bank's corporate culture essential for its future success requiring a ceaseless, rigorous and ethical assurance.

It is often suggested that CSR is constituted of four kinds of social responsibilities: economic, legal, ethical and philanthropic as depicted in Archibald Caroll's pyramid.



Carroll's CSR Pyramid

Corporate Social Responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions when discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent. The different layers in the pyramid help managers see the different types of obligations that society expects of businesses:

Economic responsibility concerns the responsibility of business of producing goods and services needed by society and selling them making a profit. Novak (1996) has contributed to this by defining seven responsibilities of companies. Companies have shareholders who demand a reasonable return on their investments, they have employees who want safe and fairly paid jobs, and they have customers who demand good quality products at a fair price. So, here comes the first responsibility of the business as it is to be a properly functioning economic unit and stay in business. And this is the base of the pyramid, where all the other layers rest on.

Legal responsibility in Carroll's CSR Pyramid demands that businesses abide by the law and play by the rules. Ethical Responsibility in Carroll's CSR Pyramid consists of what is generally expected by society over and above economic and legal expectations. Ethical responsibilities cover a wide range of responsibilities and are not necessarily imposed by law, but they are expected from ethical companies and institutions by the public and governments.

Philanthropic responsibility in Carroll's CSR Pyramid is on the top of the pyramid and it focuses on more well-appointed things such as improving the quality of life of employees, local communities and ultimately society in general.

Milton Friedman once said: "Management is to make as much money as possible while conforming to the basic rules of society, both those embodied in the law and those embodied in ethical custom".

Unfortunately, most people only focus on the first part of Friedman's statement and not the second part.

By establishing ethical banking standards in respect of environmental or social concerns, we simply illustrate our sense of responsibility towards future generations and our commitment to the communities in which we operate.

Commitment to high ethical standards, legal compliance, and integrity can only be achieved by operating responsibly, performing with excellence, applying innovative technologies and capturing new opportunities for profitable growth.

Due to the high importance conferred to CSR and Green Banking, and the wide extent of different dimensions associated with them, please allow me to first concentrate on the Creating Shared Value approach to CSR.

Creating Shared Value or CSV is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government to compete effectively. For a society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues and philanthropy.

The Harvard Business Review article Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility provides examples of companies that have developed deep linkages between their business strategies and CSR concluding that there are trade-offs between short-term profitability and social or environmental goals, but emphasizes on the competitive advantages created from building a corporate strategy program based on sound social values.

By making simple adjustments in our daily undertakings such as:

- Initiating ethics training in our institutions on a continuous basis;
- Encouraging and rewarding ethical and responsible behavior of our staff;
- Promoting greater community involvement by our branches;
- Active engagement in Environmental sustainability programs such as recycling, waste management, water management, renewable energy, reusable materials, 'greener' supply chains, reducing paper use and adopting Leadership in Energy and Environmental Design (LEED) building standards
- Cleaning our work environment as much as possible of all that endangers or deteriorates the environment such as paper work in; and
- Implementing our banks' lending activities based on strict environmental standards and environmental friendly factors.

Banks can make a significant difference and considerable impact in their local communities and global environment as well as show their commitment to responsible behavior.

Through our core business of providing credit and required capital, banks can play a significant role in community development and creating jobs.

Assisting our clients to achieve their full potential, creating wealth and promoting further prosperity globally are all means by which banks can directly make an impact in assuring a continuous and sustainable global growth.

We need to earn our clients' trust and loyalty by long-standing commitments to our values and investing for the future of our children.

Among Member Banks

- **BEA teams up with Qianhai Financial Holdings to establish a fully-licensed securities joint venture -** The Bank of East Asia Limited (BEA) on December 7 announced that it entered into an agreement with Shenzhen Qianhai Financial Holdings Co., Ltd. on the establishment of a fully-licensed joint venture securities company in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone. The joint venture will commence operations as soon as it has obtained final approval from the regulatory authorities. A grand signing ceremony was held in Qianhai to mark the launch of several major initiatives, including the joint venture. The event was attended by the key officials from the Guangdong provincial and Shenzhen municipal governments, and the HKSAR government. BEA was represented by Mr. Brian Li, Executive Director & Deputy Chief Execitive, who signed the cooperation agreement with Qianhai Financial Holdings. Mr. Samson Li, Deputy Chief Executive and Chief Investment Officer of the Bank, also attended the ceremony. The joint venture is established within the framework of liberalization measures introduced in Supplement X of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). The Bank will soon submit its application to register the joint venture in Qianhai. Upon approval, the joint venture will engage in providing a full range of investment banking and securities businesses in China. *BEA News Release*

- **Paytm partners with ICICI Bank to launch virtual prepaid cards for its wallet users -** Mobile payments and commerce marketplace Paytm is partnering with ICICI Bank, to offer virtual prepaid cards to its wallet users that can be used to pay for purchases both online and offline. This first-of-its-kind partnership between an online retailer and one of India's largest private banks, will also allow Paytm's customers to top up their digital wallets at any ICICI Bank branch, using cash or cheques. "It will be a 16-digit, Paytm-ICICI Bank co-branded, virtual prepaid card that can be used at any retail organisation that accepts Visa, MasterCard and Rupay. It will go a long way towards having our wallet accepted across merchants," said Vijay Shekhar Sharma, founder and chief executive of Paytm, which is backed by China's Alibaba Group. The partnership is one of the first signs of cooperation, at such scale, between India's consumer internet companies and the country's banking system, which has so far been wary of doing business with internet payment ventures. *Economic Times*

- **Iran's Saman Bank to enter Turkish market -** The Preferential Trade Agreement with Iran, which came into force at the beginning of the year, paved the way for Iranian banks to enter the Turkish market. After Bank Mellat obtained the right to expand its operations in Turkey in March 2014, Iran's Saman Bank has also applied to the Central Bank of the Republic of Turkey (CBRT) and the

Banking Regulation and Supervision Agency (BDDK), according to the latest information gathered. The BDDK is now considering the Iranian bank's request; BDDK is expected to issue a reply around New Year's. Iran is currently considering a major expansion in the finance sector in Turkey. Bank Tejarat and Pasargad Bank are also expected to reapply to be involved in the Turkish finance market after Saman Bank's application is approved. The approval of the expansion request of Bank Mellat, which despite being in the Turkish market since 1982, had not been operationally active in Turkey due to sanctions and had downsized in 2012, also raised hopes for other banks. According to sources of Turkish daily Sabah, along with Halkbank, which has assumed a critical role in Turkey's trade with Iran, especially in payments for fuel oil and natural gas, Ziraat Bank is expected to be involved in trade after a request from Iranian authorities was delivered to the Economy Ministry and the Customs and Trade Ministry. Ziraat Bank, which has a representation office like Halkbank in Iran, can also increase its own financial markets by becoming active in Iran. It was further noted that the growth in the financial sector will also contribute to the trade between the two countries. The trade volume between Turkey and Iran is expected to increase to $30 billion in 2016. *Daily Sabah*

- **MUFG launches MUFG Fintech Accelerator to innovate financial services -** The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) on November 27 announced the launching of "MUFG Fintech Accelerator," an acceleration program for startup companies with outstanding business ideas and technologies to establish innovative financial services leveraging ICT. ICT is rapidly changing the traditional financial industry. This year, BTMU has conducted an open innovation business competition "Fintech Challenge 2015" to promote changes with Fintech in today's agile environment. The objective of the MUFG Fintech Accelerator program is to stimulate innovative new ideas to create new business with startup companies, without any limitations of traditional financial processes. BTMU intends to involve other MUFG group companies into this program. *MUFG News Release*

- **SMBC and PEZA sign MOU to promote Japanese investment in the Philippines -** Sumitomo Mitsui Banking Corporation (SMBC) on November 24 announced the signing of a Memorandum of Understanding (MOU) with the Philippine Economic Zone Authority (PEZA) on cooperation to promote Japanese investment in the Philippines. PEZA is a Philippine government institution that is part of the Department of Trade and Industry. It is the contact point for foreign companies considering invesntment, providing advice and receiving applications for investment approval. It also grants export-manufacturing companies operating in the Philippine economic zones tax exemptions and other preferential treatments. It is a very important organization for the Philippine government which is proactively seeking to attract foreign investment. SMBC opened its Manila branch in September 2015. The bank is delighted to conclude its MOU with PEZA, as it will further enhance its capability to support corporate clients considering expansion into the Philippines by jointly conducting investment seminars and other collaborative activities. *SMBC News Release*

- **BML Islamic expands services into business banking -** BML Islamic, Bank of Maldives' (BML) Islamic Banking arm, announced on December 7 a further expansion of its services with the launch of "Wadi'ah Business Account," a new deposit account for businesses. The launch comes as part of BML Islamic's commitment to expand its Islamic services and make them available nationwide. The Wadi'ah Business Account is certified as fully Shari'ah-compliant and adheres to international standards and best practices for Islamic Banking. Customer deposits will be maintained in a separate fund and will be utilized exclusively for Shari'ah-compliant purposes. BML Islamic services are offered through BML's network of branches, POS terminals, internet banking and ATMs across the country. Commenting on extending BML Islamic services to business customers, the Bank's CEO & Managing Director Andrew Healy said, "We are steadily increasing our range of Islamic products and services for both personal and business customers. Today's launch of the Wadi'ah Business Account offers businesses the opportunity to commence using our Islamic Banking services and they will also have access to a dedicated Islamic Banking team for advice on their financial needs." *Bank of Maldives*

- **Maybank group wins big at annual report awards night -** Malayan Banking (Maybank) emerged the biggest winner with two platinum prizes at the National Annual Corporate Report Awards (Nacra) 2015. The banking giant won the Most Outstanding Annual Report Of The Year and the Best Corporate Social Responsibility Reporting awards. It also bagged two silver prizes – one in the Best Designed Annual Report category and another in the Best Annual Report in Bahasa Malaysia category, as well as the Industry Excellence Awards (Main Market) in Finance. Telekom Malaysia (Telekom) was another big winner, sweeping four prizes including the Platinum Best Designed Annual Report while Nestle took back three awards at the National Annual Corporate Report Awards (Nacra) presentation ceremony in Kuala Lumpur recently. *The Star*

- **DBP supports dormitory project in Lipa City -** The Development Bank of the Philippines (DBP) has granted a P130.5-million term loan in favor of CHMI Land, Inc. (CLI) to finance the construction of dormitory buildings and related components in Barangay Inosluban, Lipa City, Batangas. To be called Kassel Residences Lipa, the project shall consist of seven 3-storey dormitory buildings to be complemented by a one-storey commercial building. The dormitory buildings shall have a total floor area of 8,484 sq.m., and shall be comprised of 35 rooms with five double-deck beds per room. There shall be a total of 2,450 available bedspaces for the entire project. Other amenities include a basketball court and other recreational facilities. The project aims to uplift the living conditions of numerous workers and students in the area, especially in terms of security and hygiene. The project's major beneficiaries are approximately 35,000 employees of the nearby Lima Technology Center. The project will also serve the housing needs of students, as well as employees from the nearby economic/ industrial zones including officers and staff of the hotels, resorts, BPOs, hospitals, and malls located within the vicinity. *DBP News Release*

- **Rizal Microbank expects to generate profit in Q1; expands network in Cebu -** Rizal Microbank, microfinance arm of Rizal Commercial Banking Corporation (RCBC) expects to hit positive in the first quarter of 2016 after five years of operation, as it expects a lower net loss in 2015, citing high demand for microfinance loans in the rural areas. Ma. Lourdes S. Pineda, Rizal Microbank President/CEO, said she expects the bank to hit a lower net loss this year compared to the reported net loss of P60 million last year. "We're targeting to hit positive in the first quarter next year. Net loss (this year) will be definitely lower than our loss last year," Pineda said. Pineda noted that a typical microfinance bank usually takes 6 to 8 years to breakeven. RCBC unit Rizal Microbank extended P346 million in loans with 1,500 individual loan borrowers as of October this year, almost double of last year's P198 million. Since 2010, the bank disbursed a total loans of P2.2 billion or 20,000 of loans, with an average loan size of P170,000, with an interest rate of 2.5 to 2.7 percent. It has a short term loan maturity of 6 to 7 months. The bank has high capital adequacy ratio (CAR) of 96 percent, with a low portfolio at risk. Rizal Microbank is also expanding its network by opening two more branches in Cebu by April next year. It has a total of 21 microfinance branches, which includes 16 branches and 5 micro banking offices (MBOs). *Manila Bulletin*

- **DBS to pump in $10m to back local start-ups -** DBS Bank will invest $10 million in initiatives to support Singapore start-ups over the next five years. These efforts include DBS-owned programmes, partnerships with accelerators and other start-up programmes. The first of these is DBS HotSpot, an intensive, three-month programme to help very early-stage start-ups develop their ideas. Start-ups under the programme, which began in September, were offered a $25,000 entrepreneur award, work space and access to industry mentors. The bank does not take an equity stake in the participating teams. Eleven teams were picked to take part this year and worked on ideas ranging from helping migrant workers remit funds home quickly to reducing poverty in Vietnam through bike production. "This is just the start for them but they are now in much better shape to go to market and to attract future funding," said DBS Innovation Group start-up and ecosystems lead Max Tiong. *The Straits Times*

- **UOB first to launch contactless payment with banking mobile app -** UNITED Overseas Bank (UOB) on November 24 officially launched its mobile application that allows users of Android smartphones to pay for their purchases by tapping their phones, the first for a Singapore bank. This option does away with the S$100-limit for all contactless payments in Singapore. With this, customers that make contactless payments through UOB's mobile app can spend up till their credit or debit card limit. The current suite of terminals for contactless payments can accept under-S$100 payments done through the phone, though purchases above S$100 can only be made at some 10,000 payment terminals islandwide, for now. Other terminals are in the process of being upgraded to accommodate the higher payment limit. This form of contactless payment is done by linking an NFC-enabled (near field communication)

Android smartphone and a UOB Visa credit or debit card. The pay service will be enabled for MasterCard cardmembers early next year. The transaction will be made secure through the use of tokenisation: customers will have to enter a PIN for the transactions to go through. *Business Times*

- **CTBC opens representative office in Kuala Lumpur** - CTBC Bank Co Ltd, Taiwan's largest issuer of credit cards, on November 23 announced the opening of a representative office in Kuala Lumpur after gaining the approval of the Malaysian central bank in May. The new office is the first in Malaysia by a Taiwanese bank in 17 years, and it is expected to serve more than 1,700 Taiwanese companies operating in the country, CTBC Bank, the main subsidiary of CTBC Financial Holding Co, said in a statement. Since 2010, the Malaysian government has markedly eased regulatory hurdles for foreign investment in the country's financial sector, the lender said. After registering annual growth of 6 percent last year, Malaysia's economy is estimated to continue expanding at between 5 percent and 5.5 percent this year, CTBC Bank said. *Taipei Times*

- **Fubon Life's Hyundai Life stake deal approved** - Fubon Life Insurance Co., the main life insurance subsidiary of Fubon Financial Holding Co., has received the green light from South Korea's financial regulator to acquire a stake in a Korean life insurer. The Financial Services Commission of South Korea has approved Fubon Life's acquisition of a 48 percent stake in Hyundai Life Insurance Co. to become the second largest shareholder of the insurer, trailing only Hyundai Motor Group, which has a 50.2 percent stake. The Korean authorities have also agreed that Fubon Life will take five of the 11 seats on Hyundai Life's board, with Hyundai Motor Group holding the other six. Fubon Financial said the deal, which is expected to be closed on Dec. 7, will help the Taiwanese financial services company extend its reach into the East Asian market, in line with government policies to encourage local financial institutions to expand regionally through mergers and acquisitions. *Focus Taiwan*

Banking and Finance Newsbriefs

China

China's services market opens up further to Hong Kong professionals as finance officials sign expanded CEPA pact

Professionals from Hong Kong look poised to enjoy greater access to the mainland's growing services market as officials from both sides signed an agreement on November 27 that aimed to tear down more barriers to cross-border trade in services.

The pact, touching on sectors such as legal services, accounting, construction, insurance, securities, banking, telecoms and culture, is the latest supplement of the Closer Economic Partnership Arrangement (CEPA) introduced in 2003.

It applies to the entire mainland and adds 28 "liberalisation measures". It also awards Hong Kong a "most-favoured treatment" provision.

While trade associations in the city welcomed the new agreement, some in the industries urged the governments of both sides to disclose specifics of the new measures, which vary from one industry to another. *South China Morning Post*

India

Goldman pegs India's GDP growth at 7.9% in FY17

Country's GDP is expected to grow by 7.9 percent next fiscal driven by rising domestic demand and higher capital spending by the government, even though global economy will remain anemic, Goldman Sachs said on December 10.

"India is already the fastest growing large economy and will remain so in FY 2016-17. We have positive views on the economy. The cyclical upturn will continue to be driven by the domestic demand," Goldman Sachs India chief economist Tushar Poddar told reporters.

He said the investment demand will improve gradually, driven by greater government spending on infrastructure – particularly railways and highways, lower interest rates, rising FDI inflows and ongoing improvements in ease of doing business, including some improvement in stalled projects.

"Moreover, the economic activity can be boosted by both monetary and fiscal policy being looser next year," he said. *Economic Times*

Japan

Abe offers ASEAN easier yen loans to counter Beijing's moves

Prime Minister Shinzo Abe announced on November 21 that Japan will relax the conditions for its yen loan scheme for emerging countries in Asia as it tries to boost its economy through infrastructure exports to the fast-growing region.

Abe also pledged ¥1.2 trillion ($10 billion) in loans for public infrastructure projects in other Asian countries over the next five years, as part of Japan's ¥13-trillion initiative to support high-quality infrastructure development.

The loans will be jointly provided by the Japan International Cooperation Agency and the Asian Development Bank.

During a speech in Kuala Lumpur, Abe also said that JICA, through the ADB, will pump up to ¥180 billion into private-sector projects.

"The pace of growth in Asia is gaining steam with each passing year. (The implementation of) yen loans should not be left behind by this speed," Abe said at a

business and investment summit for the Association of Southeast Asian Nations, as ASEAN leaders and their dialogue partners gathered in Kuala Lumpur for a series of summits. *Japan Times*

Malaysia

Shrinking liquidity engulfs Malaysian banks

Shrinking liquidity has led to stiffer competition for deposits in the Malaysian banking sector, The Edge Malaysia's business and investment weekly, Edge Weekly, reported in its latest December 7-13 issue.

Edge Weekly, quoting bank officials and economists, reported that raising deposits was crucial to mitigate the impact of a high loan-to-deposit (LDR) ratio.

"We expect the current LDR level to stay elevated for a while and unlikely to have any significant reversal in the short term. For banks, this has the implication of driving higher cost of deposit, hence resulting in either higher loan pricing or compressed margins but most likely, it would be a combination of both," CIMB Group Holdings Bhd group head of treasury and markets Chu Kok Wei said.

"There is no concern of any liquidity crunch at all. Of course, with all the developing trends, we expect the banks will react accordingly in product pricing and strategy," Chu said. *Malaysian Insider*

Oman

Financial position of banks looks sound: Central Bank of Oman chief

All banking institutions in the Sultanate are in sound financial positions in line with international standards, said Hamood bin Sangour Al Zadjali, the executive president of the Central Bank of Oman (CBO).

In his foreword to the latest issue of the Al-Markazi magazine, a publication of CBO, Al Zadjali addressed the likely question on some people's minds about whether there is a need to establish new banks in Omani society in view of the current global changes.

He affirmed that the current number of banking units, whether local commercial banks, branches of foreign banks or Islamic Windows, are considered sufficient, and proportionate to the size of the Omani economy. He also explained that these institutions can mobilise national savings and meet the banking needs of various economic activities in the country, adding that banks in the Sultanate are flexible enough to deal with various economic changes, certainly including the decline in oil prices in the world markets.

Al Zadjali pointed out that the Omani banking sector today has 16 commercial banks, of which seven are local and nine are the branches of foreign banks, alongside two government specialized banks—the Oman Housing Bank and the Oman Development Bank, as well as two Islamic banks and six Islamic windows, affiliated with local commercial banks. *Times of Oman*

Philippines

Banks must tighten cybersecurity: BSP

The Bangko Sentral ng Pilipinas (BSP) has called on the banking industry to tighten and strengthen cybersecurity amid a growing cyber-threat landscape.

The BSP, recently concluding its first "Cybersecurity Summit for the Financial Services Industry" with partner Bancnet, Inc., assessed the general preparedness of banks to address cybersecurity threats.

BSP Governor Amando M. Tetangco Jr., in his keynote speech, reminded banks to be "on guard and proactive in managing cybersecurity risks, to collaborate and share information with concerned stakeholders, and to consider cybersecurity not as a technical issue requiring full support and attention of the banks' top management."

"In response to this evolving and growing cyber-threat landscape, the BSP has been taking measures to preserve public trust and confidence in the financial system," a BSP statement quoting Tetangco said. This includes "relevant regulatory framework" that it has adopted since the advent of electronic banking in the country. *Manila Bulletin*

Russia

10% of Russian banks will have license revoked in 2016: Sberbank

The head of Russia's largest lender Sberbank, German Gref, has predicted that every tenth Russian bank will be deprived of an operating license in 2016, the Interfax news agency reported on December 9.

"We estimate that 10 percent of banks will have their licenses revoked next year," Interfax quoted Gref as saying.

Russia has been purging its banking sector since the appointment of Elvira Nabiullina as head of the Central Bank in June 2013.

According to Gref, the banking sector in Russia has been hit hard by the economic crisis, but that isn't as a result of Central Bank policy.

Gref said that he supported the revoking of licenses from banks that are involved in "anything other than banking activities," Interfax reported.

In the past 2.5 years, the regulator has revoked licenses from 200 banks, Russian News Agency TASS, reported. The current number of banks in Russia doesn't exceed 700, according to TASS. *The Moscow Times*

Singapore

Singapore banks increasing efforts to adapt to digital landscape: PwC

Local banks have been increasing their efforts to adapt to a fast-evolving digital landscape, with technology-related risks among their top concerns, according to the latest biennial study by PwC on banking industry risks globally.

The study showed that for Singapore, the top concern facing banks was criminality, mainly relating to cyber-crime and fraud. In the previous study more than a year ago, the main challenge was the tight regulatory environment.

Technology risk was the second-biggest concern, with fears that outdated banking systems may not be able to cope with new digital and mobile innovations and stand up against a growing financial technology sector.

PwC Singapore's Financial Services Assurance Partner, Karen Loon, said: "Technology risk is really around the concern about core banking systems not being able to cope. There's also a related risk around the concerns that new entrants could come into the market to disrupt the industry.

"And we are seeing an interesting environment in Singapore, where there are a lot more start-ups happening ... That's a good opportunity to try to create more 'stickiness' for customers, for those banks to grow their core earnings and hopefully improve their results going forward." *Channel News Asia*

Taiwan

Citibank cuts Taiwan's 2015 GDP growth forecast to 0.6%

Citibank said on December 8 that it has lowered Taiwan's 2015 gross domestic product (GDP) growth forecast to less than 1 percent, citing the country's weakening exports.

Citibank has sharply slashed its estimate of Taiwan's GDP growth for 2015 to only 0.6 percent from the 1.5 percent prediction the bank made two months ago. After the cut, Citibank's forecast has become the lowest among the foreign banks which track Taiwan's economic conditions.

The updated Citibank forecast was also lower than the Taiwan government's forecast which stated in late November that the country's economy will grow 1.06 percent for 2015, down from an earlier prediction of 1.56 percent.

The U.S.-based banking giant said that Taiwan's exports are expected to remain slow at a time when global demand has been weakening, adding that it is unlikely for the country's exports to make a meaningful comeback until the third quarter of 2016. *Focus Taiwan*

Thailand

Sovereign wealth fund not a goal for Thailand's central bank

The Bank of Thailand is not pursuing a path towards the creation of a sovereign wealth fund, but rather seeking greater flexibility in managing foreign reserves to cope with volatility in the year ahead.

Like his predecessor, Prasarn Trairatvorakul, newly appointed BOT Governor Veerathai Santiprabhop does not support the idea of financing government projects with foreign reserves.

"The reserves do not belong to any government," he bluntly said in an interview, when asked about the possibility. "Rather, it is the money of all Thais, aimed at maintaining the stability of international transactions."

Reserves are accumulated in line with foreign inflows, therefore all parties must be mindful when the capital exits the country, he added.

The central bank has been under pressure to finance government projects with the reserves, following success stories of the sovereign wealth funds of several Asian countries, chiefly Singapore and China, in creating national wealth, as well as new infrastructure projects at home. *Asia One*

Vietnam

Vietnamese banks called on to improve efficiency

The rapid integration requires urgent improvement in the legal framework of credit institutions to enhance operation efficiency and competitiveness amid anticipated rising competition, a conference speaker stated on December 8.

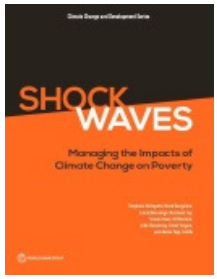
Nguyen Hong Son, principal of the Economics University under the Viet Nam National University, Ha Noi said that along with the economic integration, many foreign lenders would penetrate the domestic market offering various choices in banking services for customers.

To date, Viet Nam participated in 15 bilateral and multilateral trade agreements, ranking fifth among 10 ASEAN member countries. In terms of the foreign trade-to-GDP ratio, or trade openness ratio, Viet Nam ranked second in the ASEAN region.

This required local commercial banks to be well prepared for integration through hastening of restructuring to develop a healthy banking system with safe credit operations and improved capacity of raising social resources for efficient investments, Son said. Vietnam News

Publications

Managing the Impacts of Climate Change on Poverty



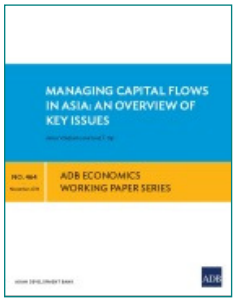
A new World Bank report shows that climate change is an acute threat to poorer people across the world, with the power to push more than 100 million people back into poverty over the next fifteen years. And the poorest regions of the world – Sub-Saharan Africa and South Asia – will be hit the hardest.

But the report – Shock Waves: Managing the Impacts of Climate Change on Poverty – also points to a way out. This requires that poverty reduction and development work continue as a priority while taking into account a changing climate. It also means taking targeted action to help people cope with climate shocks – such as developing early warning systems and flood protection, and introducing heat-resistant crops. At the same time, efforts to reduce emissions should accelerate, and be designed to protect the poor.

The report looks at different scenarios to 2030 and finds without good development more than 100 million additional people would be living in poverty. In India alone, an additional 45 million people could be pushed back over the poverty line by 2030, primarily due to agricultural shocks and increased incidence of disease.

Contact for details: World Bank Publications
Website: https://publications.worldbank.org

Managing Capital Flows in Asia: An Overview of Key Issues



Global capital flows into emerging markets, including those in Asia, continue to be volatile, generating both benefits and costs.

The latter are associated with episodes of currency and banking crises like the 1997 Asian financial crisis and the 2008 global financial and economic crisis. Recent data show that the main impact of capital flows on the economies of East Asia is reflected in real effective exchange rates, equity prices, and accumulation of foreign exchange reserves. In particular, econometric results show the strong linkages between the United States bond markets and those in Asia, particularly the adverse impact of quantitative easing tapering on Asian economies. These findings support the important role of macroprudential policy, which can be implemented in the context of regional cooperation in order to reduce negative spillovers across economies in Asia.

Contact for details: ADB Publishing
Website: www.adb.org/publications

Asian Economic Integration Report 2015: How Can Special Economic Zones Catalyze Economic Development?

Economic zones have played a key role in economic development in many Asian economies.

Special economic zones (SEZs) can play a catalytic role in economic development, provided the right business environment and policies are put in place. In Asia, SEZs can facilitate trade, investment, and policy reform at a time the region is experiencing a slowdown in trade and economic growth.

The Asian Economic Integration Report is an annual review of Asia's regional economic cooperation and integration. It covers the 48 regional members of the Asian Development Bank. This issue includes Special Chapter: How Can Special Economic Zones Catalyze Economic Development?

Contact for details: ADB Publishing
Website: www.adb.org/publications

May your holiday season be filled with peace, love and joy. Season's greetings and a prosperous 2016 from the ABA Secretariat!

ASIAN BANKERS ASSOCIATION

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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Victor C. Y. Tseng, Secretary-Treasurer
Amador R. Honrado, Jr., Editor; Jacqueline Uy, Associate Editor
Wendy Yang, Contributing Editor; Julia Hsu, Assistant Editor
14/F, No. 11, Songgao Road, Taipei 11073, Taiwan; Tel: (886 2) 2725-5663/4; Fax: (886 2) 2725-5665
Email: aba@aba.org.tw; Website: www.aba.org.tw