

General Meeting and Conference

Discover ABA Session to feature 4 member banks

This year's ABA General Meeting and Conference will include "Discover ABA" session to be held on November 10, 2016. The session will feature special country presentations by the host bank and banks from selected ABA member-countries.

The members who have been invited for this session are Commerzbank, Bank of Bhutan, Bank Pasargad and host organization Bank of Foreign Trade of Vietnam (Vietcombank).

The country presentations are intended for the delegates to obtain more information about the market conditions in the various ABA member countries. Each bank representative will be given about 20 minutes to present and another 10 minutes for question and answer session.

The presentations will be focused on the member bank's profile; country references such as demographics, culture and GDP per capita; overview of financial and banking system; international trade and foreign investment policy; strong economic points; and economic challenges.

About the 33rd ABA General Meeting and Conference

The 33rd ABA General Meeting and Conference will be held on November 10-11, 2016 in Ha Long City, Vietnam. It takes on the theme "Asian Banks: Towards Global Integration" and feature 3 plenary sessions on global macroeconomics, changing regulatory environment, and digital banking. It will also include a CEO forum in which top executives from both the banking and non-banking executives will share their knowledge on financial integration.



Education and Training

Temenos holds executive briefing for Taiwanese bankers on the Future of Digital Banking

Temenos, a Geneva-based software specialist for banking and finance, hosted a half-day Executive Briefing on “Succeeding Through the Digital Revolution – Are Taiwan Banks Ready for Digital Banking?” held on June 23, at the Mandarin Hotel in Taipei, Taiwan. The briefing was attended by some 50 executives of commercial banks and other financial institutions from Taiwan. Also in attendance were ABA Secretary-Treasurer Amb. Victor C. Y. Tseng and Deputy Secretary Mr. Amador Honrado.

The Opening Remarks was given by Ms. Jenny Chua, Head of Marketing Asia Pacific at Temenos, and the Welcome Remarks by Mr. Martin Frick, Managing Director Asia Pacific at Temenos.

One of the main speakers was Mr. Michael Araneta, Research Director, Asia Pacific Financial Services, at IDC Financial Insights. Mr. Araneta spoke on “The Top Ten Predictions for Financial Services in 2016 and What These Mean for Taiwan Banks”. Mr. Araneta noted that the banking industry is seeing many new concepts applied to the real business of banking and insurance and products that would never have been possible before the advent of the third platform of IT (composed of Cloud, Mobility, Big Data and Social Business). Among others, he identified the top IT spending areas for banks in Asia, and observed that there has been a radical transformation in how financial institutions engage with customers, as well as a radical transformation in business processes supporting customer-centric strategies.



Invited panelists discuss the Future of Digital Banking and what it means for Taiwanese banks.

Mr. Lee Volante, Head of Retail and Corporate Banking at Temenos spoke on “Digital Transformation in Banking”. Mr. Volante said that as technology continues to evolve, so too will customers’ expectations on how, when and where they bank. Consumers can bank online, with their phone, in the branch, or at an ATM. The way a consumer banks at each channel is also different. However, as the number of channels increases, internal systems and processes become increasingly complicated and often result in an inconsistent consumer experience. Further, siloed data and disparate systems prohibit banks from seeing

the full picture of a customer's portfolio, hindering them from suggesting new products. Mr. Volante encouraged banks to focus on digital transformation, and stressed the need for them to align their solutions to produce an enterprise-wide solution that enables the business to find, engage, convert, cultivate and expand their relationships efficiently.

The two presentations were followed by a panel discussion focusing on "The Future of Digital Banking" Moderated by Mr. Araneta, the panel discussion featured Mr. Frick; Mr. Volante; Mr. Lonnie Liu, CIO of Far Eastern International Bank; and Mr. Pak Toto Sugiri, Chairman of FDS.

The panelists agreed that the top priority for banking institutions across the industry is growth, and it is the expectation that digital channels will increasingly contribute to that growth. Those responsible for digital marketing, sales, or channels are already feeling the pressure and some realize that current digital capabilities are not ready to deliver on the expected sales growth. When considering digital needs, they noted that it is important to not only meet the requirements for today, but also invest in a platform that will sustain and support future growth.



ABA members invited to the 6th Public Private Partnership in Emerging Markets

ABA would like to invite members to participate in the 6th Public Private Partnership (PPP's) in Emerging Market summit to be held on July 11-13, 2016 in Bangkok, Thailand.

KW Group, the event organizer, is offering 10% discount off the registration fees for ABA members who wish to attend the event.

The PPPs in Emerging Markets Summit Series started in 2010 and is now in its 6th Edition. The event will bring together infrastructure and project finance leaders across government agencies, investors, project sponsors, development banks and consultants to discuss about various different topics of Public Private Partnerships.

Event Features

- (1) Ministerial and governmental presentation: future pipeline projects and government initiatives to support PPPs.
- (2) Invitation-only distinguished panelists will discuss key issues in developing countries to attract investment in infrastructure, developing best practice and understanding risks and rewards for major essential projects.
- (3) International case studies from key sectors- Transport, Energy & Power, Healthcare, Water & Waste, Schools and Economic Infrastructure such as Free Trade Zones, Sea & Air Ports will be presented.



ACRAA to Conduct Training Workshop on Enterprise-Wide Risk Management in July in Manila

The Association of Credit Rating Agencies in Asia (ACRAA) will organize a Training Workshop on Enterprise-Wide Risk Management on July 28-29, 2016 in Manila.

Targeting senior credit rating analysts in the Asian region, the objective of this training workshop is to help the participants develop a framework of thinking when analyzing enterprise-wide risks as they translate to credit risks. Whereas in previous training workshops the focus has been on rating criteria, this time the attempt is to create a wider understanding of the spectrum of risks encountered by businesses today and develop a deeper and more comprehensive analytical perspective.

For more information on ACRAA, visit its official website at <http://acraa.com/>

Member Personality

Dr. Bernd Laber takes seat on ABA Board of Directors

Dr. Bernd Laber, Divisional Board Member for Commerzbank Transaction Services and Financial Institutions, has been appointed to the ABA Board of Directors, taking over from Mr. Christof Maetze who recently left the bank.

As head of both Transaction Services and Financial Institutions divisions, Dr. Labor's role involves managing Commerzbank's relationships with banks and central banks across the world and overseeing global cash management and trade services for the corporate customers of the Mittelstandsbank. He had previously been in charge of Commerzbank's International Corporate Banking arm.



Dr. Laber has led the International Corporate Banking business in London and Frankfurt for the past seven years. Previously, between 1999 and 2008, he worked as Director and Managing Director for Commerzbank's Centres for Corporate Clients – both in Frankfurt and in his native Stuttgart – responsible for regions across Germany. From 1997-1999, Dr. Laber served Commerzbank in Singapore as a Relationship Manager; the year before he worked as a Credit Risk Analyst for China, Hong Kong, Japan and South Africa. His distinguished Commerzbank career began in the bank's International Finance Division in 1994.

Dr. Laber holds a doctorate in economics from the University of St. Gallen, Switzerland, a master's degree in public administration from the University of Constance, Germany, and another in business administration from the State University of New York in Albany, USA.

News Updates

Frankfurt holds inaugural Iran International Banking 2016

The inaugural Iran International Banking 2016 Forum took place from May 17 to 19 in Frankfurt’s Jumeirah Hotel under the chairmanship of Dr. Mostafa Beheshti Rouy as Board Member of ABA. Dr. Beheshti Rouy delivered the opening and closing keynote speeches.



Dr. Mostafa Beheshti Rouy, Member of the ABA Board of Directors, delivers the opening remarks.

With the gradual lifting of sanctions on Iran, the Iran International Banking 2016 Forum aimed to examine the current state of Iran’s banking sector, provide insights on the Iranian economy, give more clarity on the investment opportunities and challenges in the “Post Sanctions” Iran, determine the impact of Iran’s reintegration to the global economy, and facilitate reconnection between Iranian banks and large international banks.

Bank Pasargad, Bank Karafarin, Bank Refah Kargaran, Tosee Taavoon Bank and Bank Ansar were the Iranian banks present in the forum. Dr. Tahmasb Mazaheri, the former Governor of Central Bank of Iran and the former Minister of Economic Affairs & Finance of the Islamic Republic of Iran was among the many prestigious panelists.

Many Iranian and international banking professionals were present in the forum discussing the legal framework for foreign investment, modernization of Iran’s banking sector, and challenges remaining for banks in the implementation of the

Joint Comprehensive Plan of Action (JCPOA).

The audience witnessed a number of very interesting presentations and speeches most notably: Bank Pasargad’s Amir Hossein Mehran presenting a case study on “How to further improve connection with the international banking community”, Arqaam Capital’s Lemer Salah making a presentation on “Can the banking sector turn the GDP to a USD 1 trillion economy?”, and Blackbridge Associates’s Nima Obbohat speaking about “Doing Business in Iran”.



Euromoney Conferences discuss Iran's financial re-integration

Euromoney Conferences together with the Central Bank of Iran held a one-day conference in London on May 19, 2016 discussing Iran's re-integration into the international financial community.

The conference entitled "Iran: Reconnecting with the International Financial Community" aimed to provide a platform for Iranian and international banks to discuss the necessary steps for Iran's re-integration into the international financial community.

The conference brought together Iran's banking and financial leaders with international bankers, investors and financiers in a stimulating, interactive and enlightening atmosphere.

The keynote address was delivered by H.E. Dr. Valiollah Seif, Governor of the Central Bank of the Islamic Republic of Iran, followed by another keynote address by Mr. Damian Hinds, MP, Exchequer Secretary to the Treasury, HM Treasury.

During the conference, the participants defined the opportunities available in Iran's capital markets, offered insights to the Iranian economy, debated on the key challenges facing Iranian banks to integrate the international community, and discussed key issues faced by international banks wanting to re-engage with Iran.

The event provided a forum for the international participants to gain a greater understanding of the challenges faced by Iran and Iranian financial institutions to connect with the international community in the "Post Sanctions" era.

This highly anticipated and successful conference was sponsored by Bank Pasargad and Bank Saman of Iran, both ABA members.



AIIB seeks cooperation and new members

The Asian Infrastructure Investment Bank (AIIB) stressed its independence from China at its first annual meeting on June 25, saying it plans to cooperate with other development banks and add new members, including Hong Kong.

Chinese President Xi Jinping proposed the bank two years ago and it began operations in January, with 57 founding member countries and \$100 billion in committed capital, which it plans to invest in projects across the region.

The AIIB, which intends to invest \$1.2 billion this year, said it is aiming to meet international standards of governance, although some members say there is still work to be done.

And in response to concern that China, its biggest backer, will dominate, the AIIB said it answers to all its shareholders.

"China as much as other shareholders has been very supportive of the governance standards that we're setting and of the transparency around the bank's operations," AIIB vice president Danny Alexander said.

AIIB's board approved its first four deals worth \$509 million on June 24, with three projects co-financed with the World Bank, the Asian Development Bank, the United Kingdom Department for International Development and the European Bank for Reconstruction and Development.

The co-financed projects are a slum renovation in Indonesia and highway construction in Pakistan and Tajikistan. A power grid upgrade project in Bangladesh will be solely AIIB financed.

"We are working on a number of additional projects and look forward to bringing them to our Board for its approval later this year," said AIIB President Jin Liqun.

It is crucial for the AIIB to comply with multilateral agency procedures and rules, Chinese Vice-Premier Zhang Gaoli, said at the opening ceremony for AIIB's annual meeting.

"AIIB should learn from the successful experience of other multilateral agencies and forge close partnership with the World Bank, Asian Development Bank and other institutions," he said, a commitment which was echoed by the AIIB's Jin.

The bank, with only 38 full-time staff, needs organization and procedures to be fleshed out, say members.

"The roles of the management and the Board should be more clearly defined. Over the past six months, the basic framework for operation took shape, but there is still much to be done," Korean finance minister and AIIB governor Ilho Yoo said, adding that it needs to develop its environmental and social framework.

The bank's lean operation and flexibility as a new organization was a positive for the European Bank for Reconstruction and Development (EBRD), which is partnering on one of AIIB's first deals.

"What impresses me is the efficiency they go about things. AIIB is a natural partner because they are willing and able to take risk, such as going into private public partnership structures," said Thomas Maier, the EBRD's managing director for infrastructure.

Zhang also said that China will contribute \$50 million to a new fund set up by the AIIB to support member countries with project preparations.

The AIIB is looking to expand its numbers this year and will take applications for new members through the end of September.

Hong Kong, despite being a special administrative region of China, has applied for membership, and Jin said he is confident Hong Kong will soon be a full member of the bank.

Beijing has been looking for ways to support Hong Kong, which has been convulsed by political turmoil.



Asian Infrastructure Investment Bank (AIIB) president Jin Liqun attends the opening ceremony of the first annual meeting of AIIB in Beijing, China, June 25, 2016.

Reuters/Jason Lee

Special Feature**Market Spotlight: FT markets' Brexit analysis and comment**

Michael Mackenzie, Financial Times

The decision by UK voters to leave the EU continued to reverberate across global markets throughout the week as investors refined their response to the vote.

John Authers named prediction markets as the big losers from the Brexit outcome in his Long View column. "It would be wise not to repeat sterling buyers' mistake, and approach future binary events, such as Italy's referendum and the US presidential election, with caution," warned the FT's senior investment commentator.

There were signs that traders in the US saw Brexit as a buying opportunity for big-name European stocks, wrote Stephen Foley. While our US investment correspondent said some companies looked undervalued, he also warned that the outlook for new capital in the context of longer-term uncertainty was more problematic.

Philip Stafford rounded up the main questions, and answers, posed by Brexit for the City of London's status as Europe's main financial trading center.

"Currently, the market infrastructure based in London meets European standards but once the UK has left, London-based exchanges and clearing houses will need to have equivalent regulatory status to be able to operate in the EU," wrote the editor of the FT's Trading Room pages.

Brexit trades designed for a longer-term outlook were assessed by Miles Johnson, Dan McCrum and Stephen Foley. Hedge fund traders are now thinking whether managers of so-called "real money" — meaning insurance companies and pension funds managing many multiples of the assets controlled by hedge funds — could begin to shun British assets.

"These large institutions have substantial holdings in gilts, UK government debt, that some may seek to offload if they lose confidence in the stability of the British economy and political establishment."

Investors' response to the vote is likely to be shaped by the reaction of central banks. Rochelle Toplensky and Michael Hunter summarized the potential paths ahead for the world's main monetary authorities.

With Britain and Europe going their separate ways, they do share similar problems — not least a future with draining confidence in their currencies.

"An EU without Britain deprives the continent of a counterweight to Franco-German dominance; Brexit triggers greater Euroskepticism across Europe; investment uncertainty in the UK risks having a contagious effect," writes Roger Blitz.

In the immediate aftermath of the vote, investors hammered the pound and share prices, led by the domestic FTSE 250 index. Michael Hunter and Rochelle Toplensky looked at the bleak scenario facing medium-sized UK companies after Brexit.

"Housebuilders and other stocks exposed to the UK housing market look set to face a particularly strong blend of negative factors."

In contrast, many blue-chips members of the FTSE 100, outside of financials, have suffered less. "The steep and continued decline forecast for the pound offers a buffer for the UK-listed companies that earn their revenue in foreign currency, offering the more international FTSE 100 relative support compared with its mid-cap counterpart."

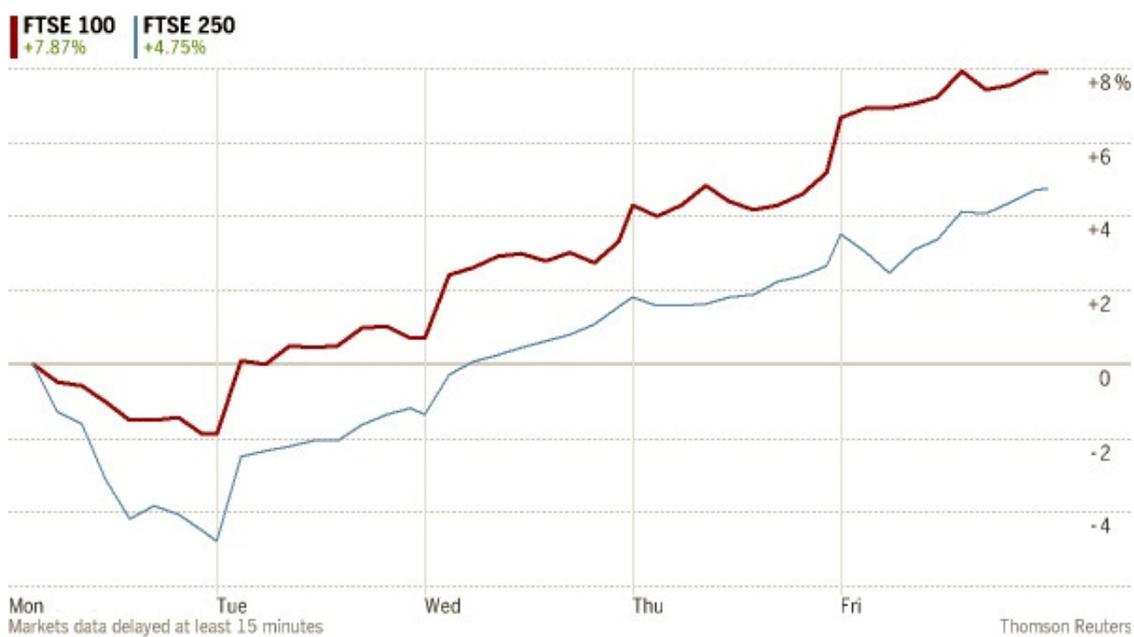
Brexit also compounds the existing problems faced by banks. Thomas Hale and Rochelle

Toplensky write: “The vote to leave comes at a sensitive time for financial institutions, the latest danger for a sector which was already under pressure to generate profits as bond yields collapsed towards zero, or below.”

The market turmoil triggered by Brexit has herded investors into havens, but gold may face considerable headwinds, write Henry Sanderson, Neil Hume and David Sheppard. reaction of central banks.

“Analysts are questioning whether gold will be able to make further gains, having already risen by almost a quarter this year in dollar terms and by a third in sterling. For all the volatility a Brexit vote could trigger, gold faces its own headwinds”.

“Something very bad has happened” defined the market’s mood in the immediate aftermath of Brexit on June 24. Dan McCrum drew on FT market’s global presence and anchored a blow-by-blow account of the global trading day that began once the UK polls closed.



“As the pandemonium unfolded, it became clear that many traders had been left complacent by opinion polls indicating that UK voters would side with the status quo. Bankers, brokers and investors scrambled to limit losses as trillions of pounds, yen and dollars changed hands in a rush for the havens of gold and government bonds.”

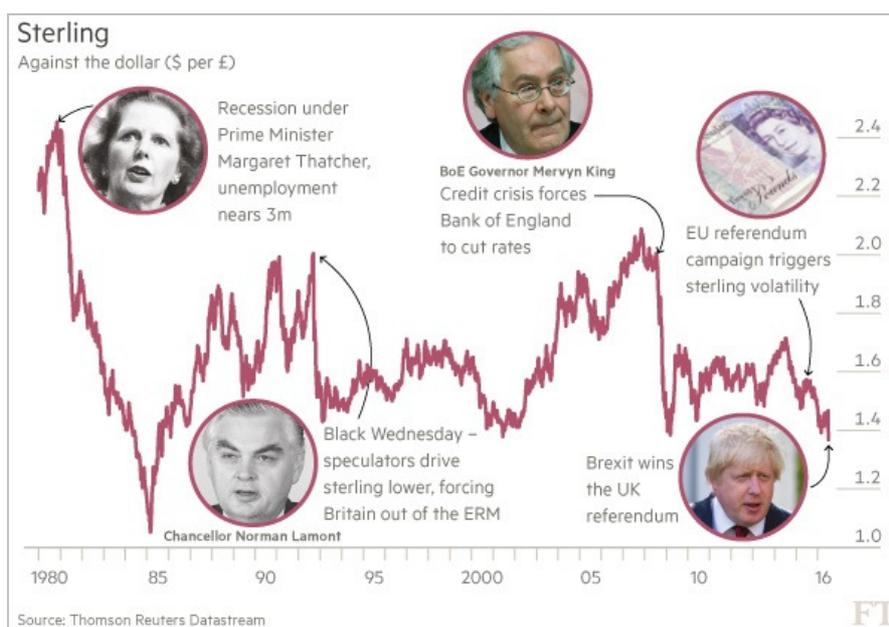
Playing a starring role in the market turmoil was the pound, and Roger Blitz, the FT’s currency correspondent, wrote of a historic night for sterling.

“When the UK currency briefly rose above the \$1.50 mark about an hour after voting ended late, it seemed merely to cement markets’ confidence that the electorate had decided to stick with what they know. However, by the time dawn broke over a divided UK, the market had dragged the value of the pound more than 17 cents lower, thrown the yen, the euro and many other currencies into violent swings and reignited fears of a renewal of currency wars.”

Big shifts in currencies have defined the world’s truly global market during the post Bretton Woods era and pound sterling has experienced its fair share of them. Earlier, Roger Blitz examined Sterling and Brexit , exploring the lessons from past crashes and writing this week:

“The pendulum will swing back and forth, but eventually the pound may end up where it began the year. But investors may need a lot of patience and an awful lot of luck to come

through that experience in one piece.”



Sticking with the currency market, Rochelle Toplensky talked to retail investors and whether they were preparing to trade foreign exchange (FX) on electronic platforms from their home once the polls closed and the votes were being counted.

“I do think there are some arbitrage opportunities when there are big events like the referendum,” said George Thomson, a 25-year-old who usually trades equities but, with volatility expected whatever the outcome of the referendum, intended to take the plunge into FX. “You can profit from that.”

Dan McCrum, the FT’s Capital Markets editor, looked at what loomed for markets in the event of a vote to remain — the FTSE 100, the pound and gilt yields would probably all rise.

“Beyond that lies a debate about the strength of UK economic growth, future corporate profits, and the moment when the Bank of England will increase interest rates for the first time since the summer of 2007.”

The potential consequences of any Brexit were tackled by Elaine Moore, the FT’s capital markets correspondent, and she noted: “If Britain votes to leave the European Union there exists no road map for investors. Not only would a split from the EU be unprecedented, the divorce could last for years.”

Earlier in June, Roger Blitz assessed how the threat of Brexit was not just weighing on sterling but was showing up elsewhere in the currency universe — namely the euro.

“The implications of a possible Brexit are increasing pressure on the eurozone’s much maligned currency. Having been at the mercy of the dollar’s fluctuations for most of the year it is vulnerable to a market that, already skeptical about the durability of the euro, sees in Brexit a path that could lead to the unwinding of the vaunted European project.”

Roger Blitz also analyzed the financial market scenarios after the referendum — “UK stays in Europe, relief is shortlived” and “Brexit-battered Britain pauses for breath”.

Commodities have also not escaped Brexit jitters, and Emiko Terazono from the FT’s commodity team examined the fraying nerves of cocoa traders. “The commodity, traded in London, is one of the few raw materials still denominated in sterling, and is feeling the impact of the volatile UK currency.”

In May, the capital markets team looked at Brexit trades: anticipating the markets if Britain voted to leave, with a focus on sterling, bank stocks, shares, gilts and property.

Among Member Banks

-  **Bank of Bhutan launches Cardless Cash Withdrawal from ATM** - In yet another first, the Bank of Bhutan (BOB) launched the Cardless Cash Withdrawal facility for its customers using the M-BoB mobile banking application. With its innovative facility, cash can be withdrawn without using an ATM card in any of the 82 ATMs of the bank. It is performed simply by initiating a transaction using BoB's Mobile Banking facility (M-BoB, launched in May 2015), enabling an easy cash withdrawal from any of its ATMs in the country. The withdrawal service is a simple and safe mode to withdraw cash 24x7 by sending a One Time Password (OTP) to your own or any other local mobile number. All registered M-BoB users can initiate this cardless withdrawal service. The first of its kind, this service includes a 2-step process in which M-BoB users initiate a cardless cash withdrawal transaction to anyone, even if the person does not have a bank account through M-BoB app or its USSD code. Once the transaction is completed, an OTP will be received via SMS by the beneficiary. The beneficiary can then withdraw cash from any BoB ATM using the OTP within 15 minutes. *BOB Press Release*
- 
-  **BEA realigns businesses and operations in Hong Kong** - The Bank of East Asia (BEA) on June 2 announced that following a thorough review of its businesses and operations in Hong Kong, the Bank is implementing a realignment exercise to enhance overall operating efficiency. In order to deploy resources more efficiently, East Asia Securities Company Limited (EAS), a wholly-owned subsidiary of BEA, will close all of its 22 retail outlets in Hong Kong by July 8, 2016. EAS will continue to provide service to customers through telephone and electronic channels such as the internet, mobile applications and automated phone service. Relevant notification will be sent to EAS customers individually. Due to the increasing popularity of electronic and phone trading, which currently facilitates over 90% of EAS's transactions, maintaining retail outlets to provide counter trading services has become very costly for EAS. In addition, there is a duplication of resources in securities business operations between EAS and the Bank. With an extensive branch network, BEA also provides securities services for retail customers holding integrated accounts, namely SupremeGold Account, Supreme Account, and i-Account, which will remain intact. *BEA News Release*
- 
-  **ICICI Bank launches next generation features on iMobile** - ICICI Bank, India's largest private sector bank, has added five new industry-first features on its mobile banking app, 'iMobile', taking the total number of services that the users can avail of to over 150. The first-of-its-kind pioneering features enable the customers to enjoy the convenience of instant tax payment from within the app, book rail tickets, add an extra layer of security to their cheque based transactions with 'Positive Pay', apply for a personalised Expressions Debit Card and purchase travel & motor insurance as well as mutual funds. These new features make 'iMobile' the most comprehensive mobile banking app by any Indian bank. Rajiv Sabharwal, Executive Director, ICICI Bank said, "At ICICI Bank, we believe in investing in innovative technology
- 

much ahead of its time. In line with this philosophy, we have introduced many industry firsts like Internet, mobile, social media banking, contactless cards and a digital bank on mobile among others. Today, over 60% of our transactions are carried out on the new age digital platforms. With India emerging as the second largest market globally for mobile subscribers as well as smartphones, it has been our strategy to offer a world class, industry leading and consistently path breaking mobile banking experience to our valued customers.” *ICICI Bank News Release*

Bank Pasargad named Islamic Bank of the Year in Iran, wins Euromoney Award for Excellence

For the fourth consecutive year, Bank Pasargad was named as the Islamic Bank of the Year in Iran for the Year 2016 by The Banker magazine. Iran’s largest private bank was recognized for its continued focus on product development and service excellence. During the past year, Bank Pasargad introduced a number of innovative Sharia compliant products such as “Sukuk Al Ijara”, an Islamic bond based on finance lease, or, “Sukuk Al Istisna”, an Islamic bond for the financing of projects based on Lease Financing principles. Both products received considerable success in the local market. Bank Pasargad proposes a wide array of Islamic financial products such as Modaraba, Mosharaka and Morabaha to clients. In another event held on June 1, 2016 in Dubai, Bank Pasargad received Euromoney’s Award for Excellence winning the category Best Bank in Iran. Candidates are evaluated based on their status and financial results as well as their ability to deliver new products and services, meet client needs, adapt to regulatory and market conditions, and the way they are run. Euromoney’s Awards remain the hardest to win, and the most sought-after, in the global banking industry. Bank Pasargad also received this distinction in year 2015. *Bank Pasargad News Release*



MUFJ Trust to team up with Taiwan's Yuanta - Mitsubishi UFJ (MUFJ) Trust and Banking



Corp. said on June 15 that it will team up with Taiwan's major asset management firm Yuanta Securities Investment Trust Co. to expand its index business in Taiwan. Mitsubishi UFJ Trust is aiming to sell financial products such as index-linked investment trusts jointly developed with major index provider STOXX Ltd., a Deutsche Borse AG subsidiary based in Switzerland. The Japanese trust bank sees Taiwan’s investment trust market as having growth potential and expects synergy effects by working with Yuanta, which has strong product development capabilities and sales networks. The trust banking unit of Mitsubishi UFJ Financial Group Inc. plans to sign a memorandum of understanding soon and work out details of their cooperation. *Kyodo News*

SMBC enters into Memorandum of Understanding with SRI International - Sumitomo Mitsui Banking Corporation (SMBC) and SRI International have entered into a



memorandum of understanding (MOU) focused on collaboration to foster development of the robotics market in Japan. With Japan's aging population growing while the proportion of working age adults continues to decrease, robots are seen as a potential solution to tackle the challenges posed by the nation's demographics. In the industrial

field, the Artificial Intelligence and the Internet of Things will drastically change the speed and quality of production activity. This change has been referred to as the "Fourth Industrial Revolution" and it has been incorporated in "Japan Revitalization Strategy 2016" adopted this June by the Government of Japan upon a cabinet decision.
SMBC News Release

Maybank appointed Joint Lead Arranger for US\$219m financing of Manhattan residential tower

Maybank has jointly led a consortium of lenders to provide the first syndicated Shariah-compliant construction financing in New York City totalling US\$219 million for the development of a luxury residential tower in Manhattan. Maybank was appointed Joint Lead Arranger together with Warba Bank of Kuwait for the syndication, which includes lenders Intesa Sanpaolo of Italy and an affiliate of MSD Partners, L.P. of the United States. The financing comprises a US\$174 million senior construction loan and a US\$45 million mezzanine loan. The financing is for the construction of the Tribeca condominium tower, a 43-storey building to be developed by Soho Properties and located at 45 Park Place, Manhattan. Construction of the 665-foot tall glass and steel tower will commence in mid-2016 and is scheduled for completion in 2018. *Maybank News Release*



BML hosts corporate clients at special event "Maldives A Great Place to Invest"



Bank of Maldives has hosted its corporate clients at a special event on tourism and the global real estate market. The event, titled "Maldives: A Great Place to Invest" was held at Hotel Jen, and was the first in a series of seminars which will focus on themes of interest to corporates. Nihat Ercan, Executive Vice President at JLL Hotels and Hospitality Group Singapore, gave a keynote address. Nihat is an expert on tourism and hospitality real estate, and has conducted over US\$ 4.5 billion in hotel transactions across Europe, Asia and the Indian Ocean, including six major property transactions in the Maldives. Leading members of the business community were treated to a presentation on the attractiveness of Maldives as an investment destination, and advice on how to leverage the country's potential in the global real estate market. *BML News Release*

DBS – first Singapore bank to adopt cloud-based productivity technology in the workplace



DBS Bank, which is at the forefront of re-imagining banking, is leading the charge in transforming its workforce for the digital age. The bank is the first Singapore bank to adopt cloud-based productivity technology, Office 365, in the workplace, enabling its employees to change the way they work, as well as make a leap forward in terms of mobility, efficiency and productivity. DBS' early adoption of cloud among financial sector players comes amid Singapore's smart nation drive as well as a digital revolution that is redefining the banking industry. With the increasing threat posed by fintechs, the bank believes it must empower its people with a set of productivity tools that enable them to be more nimble and responsive to customer needs. According to Michael Araneta, Associate Vice President for IDC Financial Insights Asia/Pacific, "Asia/Pacific super-regional institutions, like DBS, will set the pace. At least 80% of these FSIs[1] will run on a hybrid cloud architecture by 2018. These large players

will clear the way for their peers and will set best practices in the location, control, ownership, and management of data in the cloud." *DBS News Release*

 **UOB identifies the priorities and consumption patterns of Singapore women** - United Overseas Bank (UOB) on

June 29 released Singapore's first archetypes of the contemporary Singapore woman based on their



behavioral and spending patterns. The UOB Leading Ladies report classifies the women according to the digital native, the young professional and the cosmopolitan leader. Ms. Jacquelyn Tan, Managing Director and Regional Head of Cards and Payments, UOB, said that the report elaborates on the enterprising nature and consumption patterns of Singapore women today. "The average Singapore woman is highly educated and juggles work and family at the same time. From the baby-boomer senior executive in a multi-national corporation to the Generation Z internet entrepreneur, women in Singapore contribute more than 40 percent to Singapore's GDP. Their energy and passion help feed their ambition. As the saying goes, 'Women hold up half the sky' and for Singapore women, I would add that the sky's the limit," Tan said. Recent data shows that women in Singapore are generally spending more on their credit cards, as their incomes increase and priorities change through different life stages. There has been a clear upward trend in credit card spend over the last couple of years by women aged 20 to 49 years old, with the biggest increase seen in younger age groups (20 to 29 years old and 30 to 39 years old). Women in the 40 to 49 year old bracket charge the most to their credit cards. *UOB News Release*

 **E.Sun to own all of Cambodia's UCB** -

E.Sun Financial Holding Co on June 29 said its board of directors approved



plans to purchase the remaining 25 percent stake in Cambodia-based Union Commercial Bank PLC (UCB) for US\$39.93 million. The deal would effectively make UCB a wholly owned subsidiary of E.Sun Financial, which has accumulated a 75 percent stake in the bank since 2013, pending approval by regulators in Taiwan and Cambodia. E.Sun purchased a 70 percent stake in UCB in March 2013 for US\$69.33 million. "As of the end of April, UCB's total assets have grown to US\$640 million, while its deposits, credit cards and small-to-medium sized enterprise lending businesses have maintained steady earnings growth," E.Sun president Joseph Huang (黃男州) said in a briefing at the Taiwan Stock Exchange. *Taipei Times*

Banking and Finance Newsbriefs

New Indian Central Bank Governor likely to be announced mid July

Prime Minister Narendra Modi's government is expected to announce a successor to Raghuram Rajan, the outgoing central bank governor, before the next session of Parliament begins, a senior official said.

The announcement will come by July 15, the official with knowledge of the matter said, before the monsoon session of Parliament starts July 18.

Mr. Rajan surprised global investors and economists earlier this month when he announced he would return to academia and not seek a second term when his tenure ends in September. The announcement briefly sent India's stock and currency markets lower.

Among the leading contenders for the post are Subir Gokarn and Rakesh Mohan—two former deputy governors of the Reserve Bank of India, said the official, who declined to be named. *Wall Street Journal*

Eight major banks backing up Bandar Malaysia Fund

A consortium comprising four local banks and four international banks with a combined asset base exceeding US\$13tril have set up a new fund to finance the development of the Bandar Malaysia project in Kuala Lumpur.

The Bandar Malaysia fund, which will be utilized to finance development and construction works, are backed by some of the largest bank in the world. The international banks that are participating include the Bank of China, Industrial and Commercial Bank of China (ICBC), China Construction Bank (CCB) and HSBC.

The local banking groups backing the fund are CIMB, Maybank, RHB, and Affin Bank. The announcement was made at the signing of three key agreements on June 16, pertaining to Bandar Malaysia which is set to become a premier mixed-use transport oriented development in the heart of Kuala Lumpur. *The Star*

Financial literacy program now part of basic curriculum in the Philippines

Financial education subjects will be part of the basic education curriculum with the nationwide implementation of the Senior High School (SHS), the Philippine Department of Education (DepEd) announced.

According to DepEd, Filipino students will soon get an early start in financial literacy and SHS students will have "learned financial management and investment by the time they graduate."

As a member of the National Strategy for Financial Inclusion (NSFI) steering committee, the DepEd takes on various initiatives that include a financial literacy program for the first two batches of SHS graduates. First is the integration of financial education and consumer protection in its K to 12 curriculum —a training program on financial literacy especially designed for teachers, and second, a financial inclusion mechanism for students and schools in urban and remote rural areas.

The NSFI is a multi-agency initiative aiming toward financial inclusion through policy and regulation, financial education and consumer protection, advocacy programs, and progress monitoring. *Manila Bulletin*

In race to be Asia's fintech hub, Singapore leads Hong Kong

Singapore is rushing to reinvent itself as Asia's financial technology, or fintech, hub to fend off a regulatory threat to its wealth management industry and revive a sluggish economy.

State funding, light-touch regulation and a recent move to allow start-ups to test financial products in a controlled environment have put Singapore ahead of rival Hong Kong to be Asia's fintech hotspot.

Much like Uber, Airbnb and others have harnessed technology and online social networking to disrupt taxi and hotel services, fintech firms are shaking up the traditional banking and financial services industry.

Singapore's fintech drive comes as its role as an offshore private banking centre is under threat from a multi-billion-dollar money laundering scandal in neighbouring Malaysia, and as Indonesia chases undeclared money parked in the low-tax city state. *Straits Times*

Indrajit Coomaraswamy new Governor of the Central Bank of Sri Lanka

Indrajit Coomaraswamy, veteran economist, is the new Governor of the Central Bank of Sri Lanka (CBSL).

President Maithripala Sirisena announced Prof. Coomaraswamy's appointment on July 2 morning through his official twitter account.

Dr. Coomaraswamy succeeds Arjuna Mahendran, whose tenure, marked by controversies on the issuance of bonds, came to an end on June 30.

An official release issued later by the President's office stated that the decision was taken after consulting Prime Minister Ranil Wickremesinghe. Prof. Coomaraswamy would assume charge on July 4. He would hold the post for six years.

Born in 1950, Dr. Indrajit Coomaraswamy had his early education at the Royal College, Colombo and the Harrow School in England. He completed his undergraduate degree at Cambridge University and obtained his Doctorate from the University of Sussex. Joining the CBSL in 1973, he was part of the Bank till 1989. During this period, he also served the Ministry of Finance and Planning for eight years. During 1990-2008, he worked in the Commonwealth Secretariat, holding various positions such as Director, Economic Affairs Division and Deputy-Director, Secretary-General's Office. *The Hindu*

Cathay Financial cuts growth forecast for Taiwan's 2016 GDP to 0.8 percent

Cathay Financial Holding Co. on June 21 lowered its growth forecast for Taiwan's 2016 gross domestic product (GDP) from 1.6 percent to 0.8 percent, citing weak exports and shrinking investments.

The country's GDP is likely to contract by an annual 0.5 percent in the first two quarters of the year then rebound slightly in the third quarter, Cathay Financial said.

The 2016 forecast by a joint research team from Cathay Financial and National Taiwan University was the lowest this year projected by the local economic think tanks.

However, Taiwan Research Institute has also predicted domestic economic growth of less than 1 percent this year, dropping its forecast by 1.14 percentage points to 0.92 percent. *Central News Agency*

Thailand's telecoms regulator, c. bank join forces to boost cyber security

Thailand's telecoms regulator and central bank said on June 17 they had agreed steps to improve cyber security for electronic transactions via mobile phones as the country pursues a goal to become a cashless society.

A finger print scan will be among the measures to be introduced to protect mobile users from scams, and it should be ready for service in December, Takorn Tantasith, secretary-general of the regulator, told a news conference.

The regulator National Broadcasting and Telecommunication Commission will also examine the service fees that telecoms operators charge customers to ensure fair treatment, he said.

Thailand has about 10 million mobile banking users out of the 67 million population and the number is expected to rise after a strong growth of average 73 percent annually in the past 5 years, Bank of Thailand Governor Veerathai Santiprabhob said. *Reuters*

Vietnam's central bank to acquire 52 percent stake in PVcomBank

The State Bank of Vietnam has approved a plan to acquire a stake of 52 percent in state-controlled PVcombank as part of the ongoing restructuring process at the medium-sized lender, local media reported on June 22.

The stake is currently held by national oil giant PetroVietnam and the change of ownership will not cost the central bank money, news website VnExpress said, citing a plan that PVcombank is expected to present to shareholders.

Established in 2013 from a merger between PetroVietnam Finance Corp. and Western Bank, the lender officially known as Vietnam Public Joint Stock Commercial Bank has a charter capital of VND9 trillion (\$398 million). Morgan Stanley currently owns a stake of 6.66 percent, according to the bank's website.

PVcomBank reported a net profit of VND56 billion (US\$2.47 million) last year, down 39 percent from 2014. Vietnam has asked state-owned enterprises to pull out of sectors that are not their main business areas. As PetroVietnam planned its divestment from PVcomBank, the central bank emerged as a suitable candidate to take over the shares, local media reported. *Thanhnieu News*

Publications

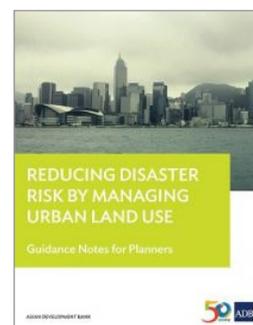
Reducing Disaster Risk by Managing Urban Land Use: Guidance Notes for Planners

Urban areas in Asian countries continue to face significant disaster risk. Rapid unplanned growth of cities increases the exposure and vulnerability of urban populations and their physical assets to natural hazards.

This document provides guidance for urban planners on how to use land use management-related tools they have at their disposal—land use planning, development control instruments, greenfield development, and urban redevelopment—to reduce disaster risk and contribute to strengthening urban resilience and sustainable urban development. The guidance provided in the document is further illustrated through case studies showing examples where urban land use management-related tools have been adopted to reduce disaster risk. It is hoped that this document will support urban planners as a professional group to step up and embrace disaster risk reduction.

Contact for details: ADB Publishing

Website: www.adb.org/publications



The Impact of Finance on the Performance of Thai Manufacturing Small and Medium-Sized Enterprises

Access to financing is an important factor in the performance of Thai manufacturing small and medium-sized enterprises (SMEs).

This study sheds light on small and medium-sized enterprise (SME) financing and its performance in Thailand. It elaborates on the key sources of finance existing for Thai manufacturing SMEs and their importance for SME performance as measured by technical efficiency, export performance, and technological innovation. This study also examines the key factors enhancing SME access to external finance. Our results confirm that retained earnings are crucial to increase SME technical efficiency, but loans from unlicensed moneylenders deteriorate their export performance. For external finance, government-owned specialized financial institutions (SFIs) play a leading role in enhancing SME technical efficiency and export performance, but the results from the survey reveal that few Thai manufacturing SMEs actively seek external finance from these institutions. Foreign commercial banks also help enhance SME technical efficiency. The results show that larger SMEs have superior performance as measured by export performance and technological innovation performance. The results also reveal that financial institutions in Thailand still rely on collateral-based lending and SME financial transparency through audited financial statements to reduce asymmetric information and adverse selection costs.

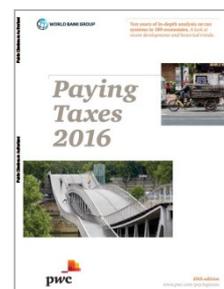
Contact for details: ADB Publishing

Website: www.adb.org/publications



Paying Taxes 2016

Since the first edition of *Paying Taxes*, and especially following the global financial crisis, the media, the public, and many policymakers have become increasingly interested in how international tax systems operate. Most recently the focus has been the work initiated by the G20 and carried out by the Organization of Economic Cooperation and Development (OECD) on base erosion and profit shifting (BEPS). The BEPS agenda however does not consider what some commentators will consider to be equally important issues for developing economies, including how to enhance the administrative capacities of tax authorities, reduce the informal economy, and corruption while promoting growth and investment. The *Paying Taxes* study, with its emphasis on efficient tax compliance and straightforward tax regimes provides valuable insight into many of these developing country issues. It can be an invaluable source of information to decision-makers, providing an independent assessment of whether interventions are resulting in a simplified compliance process for a standardized domestic model business. Governments also often find it useful to be able to learn from the experience of economies in their peer group and to consider whether a measure adopted elsewhere may be relevant for the economy.



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



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>

Published monthly by the Secretariat, Asian Bankers Association

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