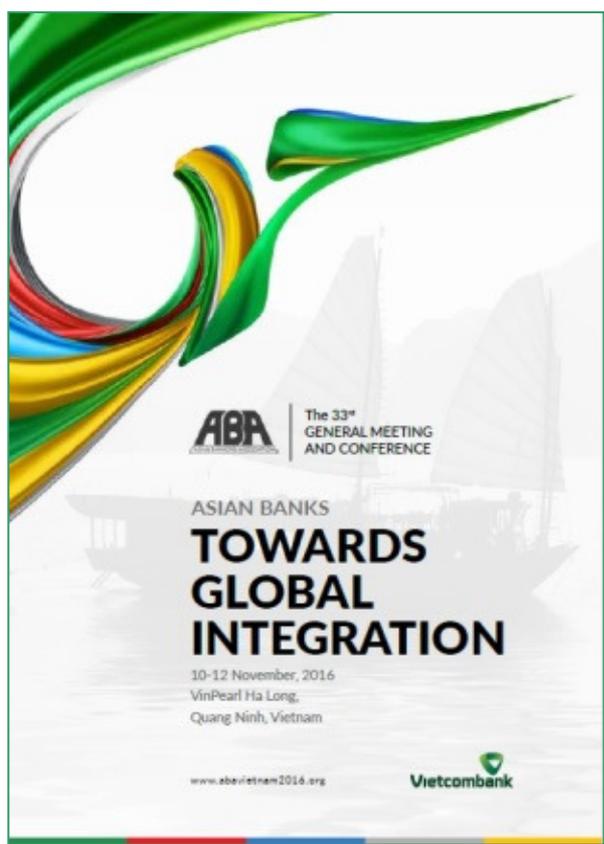


General Meeting and Conference**Senior representatives of Asia Pacific's strongest banks to gather in Ha Long Bay next month**

Banking experts from across the region and senior representatives of Asia Pacific's strongest banks will gather in Ha Long Bay on November 10-11, 2016 for the 33rd ABA General Meeting and Conference. The event, which will be hosted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), follows the theme "Asian Banks: Towards Global Integration."



The 33rd ABA General Meeting and Conference will feature four plenary sessions: (1) Global Macroeconomics: Key Factors and Business Strategy Implications for Asian Banks (2) Coping with Changing Regulatory Environment (3) Digital Banking: Achieving Transformational Change (4) CEO Forum: Financial Integration: Future Growth Drivers for the Asian Region.

Global Macroeconomics: Key Factors and Business Strategy Implications for Asian

This session will examine key factors shaping the global economy in the year ahead, the risks and opportunities offered by these factors, and what their implications are for banks and their business strategies.

Speakers for this session include **Mr. Paul Tang**, Chief Economist, The Bank of East Asia Ltd., **Dr. Le Xia**, Chief Economist for Asia, BBVA Research, and **Dr. Vu Thanh**

Tu Anh, Director of Research, Fulbright Economics Teaching Program. It will be moderated by **Mr. Ashwini Kumar Tewari**, Regional Head (East Asia), State Bank of India, Hong Kong branch.

Coping with Changing Regulatory Environment

This session will try to examine where banks are in terms of preparation for new regulations; how the key regulatory measures are impacting banks and forcing the industry to undertake a significant reshaping of business models; how a change in business models might have knock-on effect implications for financial markets in general; and how key industry participants increasingly need to work together in order to optimize relationships and ensure a successful outcome in providing long-term savings.

Dr. Eli Remolona, Chief Representative for Asia and the Pacific, Bank for International Settlements, **Mr. Andrew Hardie**, Principal, The Boston Consulting Group, Hong Kong Office, **Mr. Wolfram Hedrich**, Partner in the Asia Pacific Finance and Risk Practice, Oliver Wyman

Financial Services have been invited to share their perspectives for this session.

Mr. Oliver Hoffman, Managing Director and Head of East Asia, Erste Group Bank AG, will be leading the session.

Digital Banking: Achieving Transformational Change

This session will feature speakers who will share their ideas on how to capture the opportunities provided by digitalization through the right investment, careful planning and coordinated decision making spanning the whole bank; how to address the multiple strategic challenges posed by digital advances; and how institutions can position themselves to compete effectively and capture an emerging, long-term growth trajectory.

The invited speakers are **Mr. Ralf Matthaes**, Founder and Managing Director, Infocus Mekong Research; **Mr. Michael Araneta**, Associate Vice President, IDC Financial Insights and Country Manager for IDC Thailand; and **Mr. Lee Volante**, Head of Strategic Engagement Asia Pacific, Temenos.

The moderator for this session is **Mr. Dilshan Rodrigo**, Chief Operating Officer, Hatton National Bank.

CEO Forum: Financial Integration: Future Growth Drivers for the Asian Region

This session will invite CEOs to exchange views on the status of financial integration within Asia and possible factors hindering its progress. They will be requested to address the following questions: Has financial integration in Asia risen? How does it compare with that of other regions? What are the drivers of financial integration? What are the implications for Asian policymakers who want to achieve deeper financial integration within the region?

The panelists are **Mrs. Arundhati Bhattacharya**, Chairman, State Bank of India (to be confirmed); **Dr. Noritaka Akamatsu**, Senior Advisor, Financial Cooperation and Integration, Asian Development Bank; **Mr. Faheem Ahmad**, President and CEP, JCR-VIS Credit Rating Company Limited, and **Mr. Pham Hong Hai**, Chairman, Banking Working Group at the Vietnam Business Forum, and CEO at HSBC Vietnam.

The CEO Forum will be chaired by **Ms. Stefania Palma**, Asia Editor, **The Banker Magazine**.

To register for this year's conference, please visit <http://www.abavietnam2016.com/>

Experience Ha Long Bay at the 33rd ABA General Meeting and Conference

The 33rd ABA General Meeting and Conference will be held in the beautiful bay of Ha Long, located about 178 kilometers east of Hanoi.

Ha Long Bay, in the Gulf of Tonkin, includes some 1,600 islands and islets, forming a spectacular seascape of limestone pillars. Because of their precipitous nature, most of the islands are uninhabited and unaffected by a human presence. The site's outstanding scenic beauty is complemented by its great biological interest.

The outstanding value of the property is centered around the drowned limestone karst landforms, displaying spectacular pillars with a variety of coastal erosional features such as

arches and caves which form a majestic natural scenery. The repeated regression and transgression of the sea on the limestone karst over geological time has produced a mature landscape of clusters of conical peaks and isolated towers which were modified by sea invasion, adding an extra element to the process of lateral undercutting of the limestone towers and islands.

Comprised of a multitude of limestone islands and islets rising from the sea, in a variety of sizes and shapes and presenting picturesque, unspoiled nature, Ha Long Bay is a spectacular seascape sculpted by nature. The property retains a high level of naturalness, and despite its long history of human use, is not seriously degraded. Outstanding features of the property include the magnificent towering limestone pillars and associated notches, arches and caves, which are exceptionally well-developed and among the best presented of their type in the world. *(Source: United Nations Educational, Scientific and Cultural Organization- UNESCO)*

Vin Pearl Ha Long Bay Resort

Vin Pearl Ha Long Bay Resort is the official venue of the 33rd ABA General Meeting and Conference. With spectacular views of the limestone pillars stretching across Ha Long Bay, Vinpearl Ha Long Bay Resort is exclusively located on its own private island of Dao Reu. Your personal waterfront gateway to this unique UNESCO World Heritage Site, Vinpearl Ha Long Bay Resort offers an escape from a world of the usual to an extraordinary paradise of luxury.

Ha Long Bay Cruise

The Post-Conference tour includes a 6-hour Ha Long Bay Cruise aboard the Ha Long Princess. The tour starts at 8:30 am and ends at 15:30. A stop will be made at Bo Hon Island, where delegates can climb up to visit Sung Sot Cave- the most beautiful cave in Ha Long Bay, with its abundant stalactites and stalagmites forming different shapes. There will also be a short visit to the Fishing Village. Lunch will be served.

Chi Linh Star Golf Resort

For those opting for the mini golf competition, a golf tour will be held on November 12 at 8:00am, with the following format and divisions:

Format: 18 Hole Stroke Play Competition with 100% Handicap to Apply in 4 Div

Divisions: 0-15, B 16-28, Callaway (29 & above), Ladies 0-36



Policy Advocacy

Dr. Takagi represents ABA at the 3rd Regional Insolvency Conference

Dr. Shinjiro Takagi, ABA Senior Advisor on Informal Workout Guidelines spoke during the 3rd Regional Insolvency Conference held in Singapore on September 15-16, 2016. In his talk, Dr. Takagi recommended the use of ABA Informal Workout Guidelines for smooth resolution between both debtor and creditor (banks). The 3rd Regional Insolvency Conference was jointly organized by Insolvency Practitioners Association of Singapore (IPAS) and the Law Society of Singapore.



Education and Training

ABA members invited to Payments Iran 2016

ABA members are invited to Payments Iran 2016 on November 22-23, 2016 in Milad Tower, Tehran.

The Payments Iran conference is where the C-suite, influencers, leaders and disruptors from Iran and across the globe assemble to debate, deliberate and explore the future of the payments industry.

The conference format has been designed to enable Iranian banks, government, telecom operators, vendors and Fintechs to learn from the champions of the payments industry from around the world.

Learnings will come from international visionary keynotes, in-depth CEO panel discussions and 20 minute case study presentations from those at the forefront of change.



At Payments Iran delegates will discover how to:

- Connect Iran with the world and develop a truly interoperable payments network
- Create attractive seamless omnichannel payments experiences
- Use predictive analytics to do more than simply collect transaction data
- Handle security, risk and fraud in the digital age
- Maximise on mobile payments
- Harness blockchain technology
- Embrace new innovative Fintech technologies
- Integrate loyalty into the payments experience

To register or know more about Payments Iran, visit www.terrapinn.com/paymentsiran

News Updates

Asia still growth champion, but must watch its step

IMF News

- ✓ Asia still outperforms global economy, near-term outlook remains strong
- ✓ Main risks: sluggish global output, weak trade growth, external financing environment
- ✓ Policies should support more balanced growth and bolster resilience

Asia continues to lead global growth and its economy is projected to expand by about 5.4 percent this year and the next, said the IMF.

According to the October 2016 Asia and Pacific Regional Economic Outlook Update (REO Update), the near-term outlook in Asia remains strong (see Chart), and is supported by domestic demand. But global and local risks somewhat cloud the growth horizon.

“Asia contributes about 60 percent to global growth currently, but its prospects could be weighed down by China’s transition to slower growth and an uneven global recovery,” said Changyong Rhee, Director of the IMF’s Asia and Pacific Department.

Strong but uneven growth in region

Overall, the region registered a slight uptick in growth in 2016. Stock markets are buoyant, and capital continues to flow into Asia, despite a short period of adjustment around the Brexit referendum. Domestic policies have mostly supported growth, with low interest rates and fiscal stimulus in many countries. Asia’s exports are set to benefit as global growth is expected to recover in 2017.

However, growth prospects in Asia are uneven. As China rebalances its economy from

Strong growth

Asia has been outperforming the rest of the world and its near-term prospects look bright. (year-on-year percent change)

				Difference from April 2016 WEO		
	2015	2016	2017	2015	2016	2017
Asia	5.4	5.4	5.3	0.1	0.1	0.1
Emerging Asia¹	6.7	6.5	6.3	0.1	0.1	0.0
Industrial Asia	1.0	1.0	1.0	0.0	0.1	0.4
Australia	2.4	2.9	2.7	0.0	0.4	-0.3
Japan	0.5	0.5	0.6	0.1	0.0	0.6
New Zealand	3.0	2.8	2.7	-0.4	0.8	0.2
East Asia	6.2	5.9	5.7	0.0	0.1	0.0
China	6.9	6.6	6.2	0.0	0.1	0.0
Hong Kong SAR	2.4	1.4	1.9	0.1	-0.7	-0.6
Korea	2.6	2.7	3.0	0.0	0.1	0.2
Taiwan Province of China	0.6	1.0	1.7	-0.1	-0.5	-0.5
South Asia	7.4	7.5	7.5	0.2	0.2	0.1
Bangladesh	6.8	6.9	6.9	0.4	0.4	0.0
India	7.6	7.6	7.6	0.2	0.2	0.1
Sri Lanka	4.8	5.0	5.0	-0.4	0.0	0.0
Nepal	2.7	0.6	4.0	-0.6	0.0	-0.4
ASEAN	4.7	4.8	5.1	0.0	0.0	0.0
Brunei Darussalam	-0.6	0.4	3.9	-0.3	2.4	0.9
Cambodia	7.0	7.0	6.9	0.1	0.0	0.0
Indonesia	4.8	4.9	5.3	0.0	0.0	0.0
Lao P.D.R.	7.6	7.5	7.3	0.5	0.1	-0.1
Malaysia	5.0	4.3	4.6	0.0	-0.1	-0.2
Myanmar	7.0	8.1	7.7	0.0	-0.6	0.0
Philippines	5.9	6.4	6.7	0.1	0.4	0.5
Singapore	2.0	1.7	2.2	0.0	-0.1	0.1
Thailand	2.8	3.2	3.3	0.0	0.2	0.1
Vietnam	6.7	6.1	6.2	0.0	-0.2	0.0
Pacific island countries and other small states²	3.3	3.0	3.3	-0.4	-0.3	-0.1

Sources: IMF, *World Economic Outlook (WEO)* database; and IMF staff projections.

Note: ASEAN = Association of Southeast Asian Nations.

¹ Emerging Asia includes China, India, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. India’s data are reported on a fiscal year basis.

² Simple average of Pacific island countries and other small states which include Bhutan, Fiji, Kiribati, Maldives, the Marshall Islands, Micronesia, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu.

investment toward consumption, and from manufacturing to services, GDP growth is projected to be 6.6 percent in 2016, before moderating to 6.2 percent in 2017. While a stronger-than-expected fiscal stimulus and credit support help the near-term outlook, these steps could delay certain critical reforms, particularly the restructuring of state owned enterprises and reigning in credit growth.

In Japan, growth, which is mainly driven by public investment and consumption, has been slightly revised up to 0.5 percent in 2016 since April. The momentum is expected to continue in 2017, with the economy expanding by 0.6 percent, mostly due to the fiscal stimulus with an estimated impact on GDP of nearly 1 percentage point. As the stimulus gradually fades, the impact of the higher private investment linked to the 2020 Olympics would kick in. Nevertheless, Japan's medium-term outlook remains weak, primarily due to its shrinking labor force.

India remains a regional and global dynamo, with its economy projected to grow at 7.6 percent in 2016-17. Growth in India relies on domestic demand, lower energy prices, and a progress on investment-friendly reforms.

For other emerging countries in Asia, economic prospects remain strong, but they depend in part on external developments, given their high exposure to global trade and finance.

Near-term risks, medium-term challenges

Despite strong overall growth in Asia, the woes of the global economy still dominate the medium-term outlook. The subdued and uneven global recovery and sluggish global trade could undermine Asia's growth prospects.

Monetary policy divergence in advanced economies could translate into volatile financial conditions in Asia, especially for economies that rely more on external financing.

Asia also faces the specter of spillovers from secular stagnation trends in advanced economies, which would likely lead to weaker investment in the region.

Within the region itself, China's rebalancing could be bumpier-than-expected, creating negative spillovers to regional trade and growth. Escalating geopolitical tensions and domestic policy uncertainty could disrupt trade and financial flows. Finally, Asia's slowing productivity growth, population aging, and rising inequality casts a long shadow on growth prospects.

Policies should support growth

In view of the still weak and precarious nature of the global recovery, policymakers need to remain vigilant. Across most of the region, monetary policies need to stay supportive. Interest rates should be lowered if growth falls, provided that inflation is low and financial stability is not compromised. In Japan, the central bank's reinvigorated efforts to re-inflate are welcome according to the report, while in China and several frontier economies, monetary policy should not encourage further credit expansion.

Policymakers can also consider growth-supporting fiscal policies to complement structural reforms. For instance, China could use on-budget and pro-consumption fiscal stimulus if growth were to slide. Korea and Thailand have room for more fiscal spending. For Japan, where public debt is high, however, the government needs to reign in expenses.

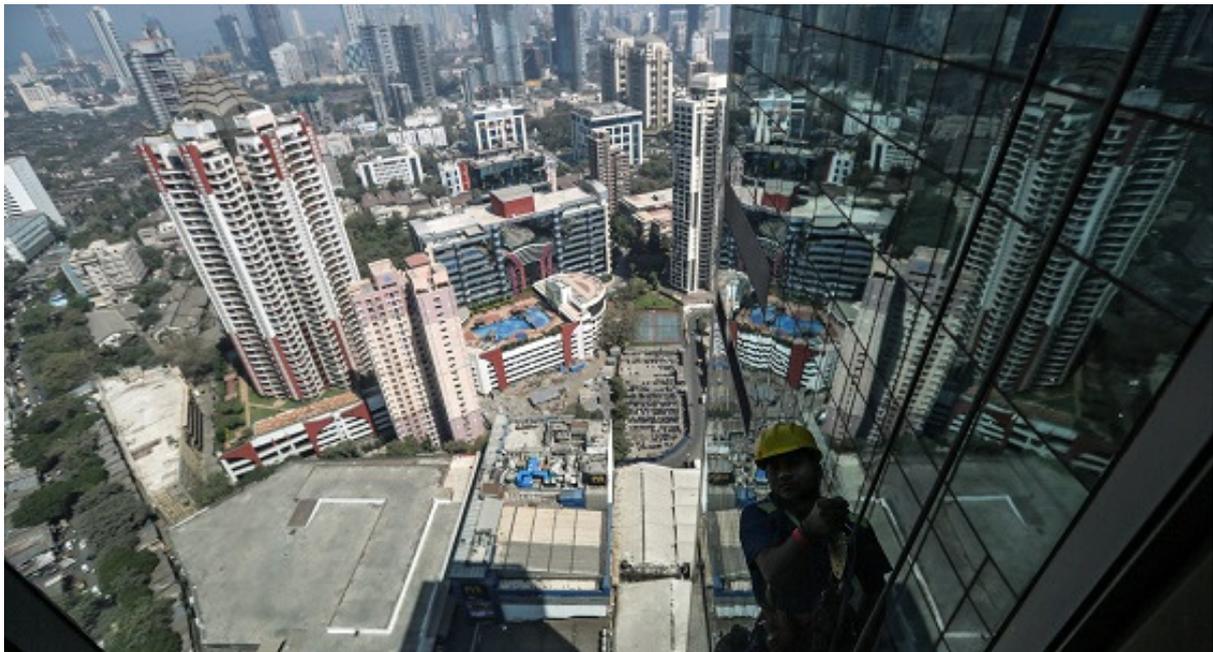
Restructure for better growth prospects

While policymakers of India, China and Korea have outperformed their G-20 peers on structural reform implementation, progress on reforms across the region has been uneven,

the report observed. Yet such reforms would be crucial not only for bolstering growth but to make it more inclusive, and to make Asian economies less vulnerable.

China should therefore continue its efforts to rebalance. Japan should prioritize mitigating the effects of aging on potential growth, reducing labor market duality, and encouraging more dynamism in the corporate sector.

Emerging and frontier economies in Asia need reforms to speed up investment in infrastructure and increase productivity. Improving access to health, education, and (in some frontier economies) financial services will help lower income inequality and will bring some prosperity to a bigger chunk of the population. Smaller economies, including many Pacific Island countries, need to simplify regulation and lower the cost of doing business to be able to invest into connectivity and resilience to natural disasters.



An Indian worker cleans a glass facade in Mumbai, India's financial center. India is one of the most dynamically growing economies in the world (photo: Divyakant Solanki/EPA/Newscom)

Special Feature

Microfinancing can build climate resilience

By Mark Malloch Brown

Published by *The Japan Times*

Vulnerable communities face the brunt of climate change — from rising sea levels and extreme weather events to prolonged severe droughts and flooding. According to the World Bank, without effective mitigation measures, climate change could push more than 100 million people into poverty by 2030.

To help the most vulnerable communities become more resilient to the effects of climate change, financial institutions should support small and medium-size enterprises. In emerging economies, SMEs account for as much as 45 percent of employment and up to 33 percent of GDP — and these numbers are significantly higher when informal SMEs are included. When an SME builds up its own climate resilience, it can have cascading effects in the community around it.

Unfortunately, SME owners generally have trouble securing bank loans and instead must turn to informal lending and alternative funding sources to support their businesses. According to the World Bank, 50 percent of formal SMEs lack access to formal credit, and the total credit gap for both formal and informal SMEs is as high as \$2.6 trillion worldwide. While the gap varies considerably among regions, it is particularly wide in Africa and Asia.

Microfinance can close this gap by providing the small loans that SMEs need to get off the ground and thrive. According to the OECD, microfinance institutions, including national foreign aid agencies, banks, credit unions and nonprofit organizations, already provide basic financial services to more than 100 million of the world's enterprising poor, 90 percent of them women.

The role of microfinance in boosting SMEs' climate-change resilience needs to be more fully defined. In Africa, Asia and Latin America, microfinance has enabled SMEs to invest in drought-resistant crops, build better irrigation systems and purchase climate insurance to protect incomes when crops fail because of too much — or too little — rainfall.

These projects already have a proven track record. According to a review by the OECD, 43 percent of microfinance activities in Bangladesh in 2010 had strengthened the resilience of communities. These projects include lending programs for weather-resistant housing and drought- and salt-tolerant seeds, and they enhanced climate change resilience. In Nepal, microfinance is supporting disaster relief and preparedness, crop diversification and improved access to irrigation. Microfinance can also help SMEs transition to low-carbon business models, by financing their efforts to adopt renewable energy sources and shift to sustainable production and supply chains.

Microfinance is not the only solution, and it certainly has its critics. To allay concerns about money being poorly spent, microfinance institutions should reward SME owners who



use loans to finance climate change resilience and renewable energy projects. This need not be an act of corporate social responsibility. In fact, according to the Business and Sustainable Development Commission, which I chair, such an approach is in microfinance institutions' own self-interest.

The private sector should understand that the climate crisis is also an opportunity, especially with regard to SMEs. In fact, some in the private sector already recognize this.

GSMA — a trade group that represents hundreds of telecommunications operators and whose director general, Mats Granryd, is a member of the Business Commission — and its members are facilitating microfinance in rural areas. With mobile phones, farmers can quickly find information ranging from seed prices to weather patterns and have immediate access to the funds they need to complete transactions. This mobile-enabled information leads to better decision-making, saving the farmers money and boosting their resilience to extreme weather patterns and droughts. And of course mobile providers benefit as well from operating in an expanded rural market.

There are also opportunities in peer-to-peer lending networks, whereby online services match lenders directly with borrowers. P2P micro-lending platforms such as lendwithcare.org, Lendico and RainFin have proved popular. They could re-energize the microfinance community and provide wider access to loans for SMEs in developing countries. Financial products like weather derivatives — which insure the harvests and enterprises of SMEs and some of the world's poorest people — also have potential.

If the world is serious about mitigating the worst effects of climate change, especially its disproportionate impact on vulnerable communities, both the public and private sectors should support efforts to extend microfinancing to SMEs. Those on the front line of protecting lives and livelihoods can't go it alone.

*Mark Malloch Brown, a former U.N. deputy secretary-general and U.K. Foreign Office minister of state for Africa, is chair of the Business and Sustainable Development Commission.
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Member Personality

SBI chief Arundhati Bhattacharya gets a second term, for a year



After creating history by becoming the first woman to head the nation's largest lender State Bank of India, Arundhati Bhattacharya on October 1 earned another first by landing an extension for a year.

Bhattacharya was first appointed as the head of SBI for a three-year term in October 7, 2013 and was scheduled to retire on October 6 this year. The extension will help her complete the mega merger of the five associate banks and the Bharatiya Mahila Bank with SBI as well as help her take the NPA resolution to a logical conclusion to a large extent.

In the June quarter, SBI had reported that its bad loan pile had crossed the Rs 1-trillion-mark.

Earlier in the day, the government reappointed her for a one-year term beginning October 7. In a statement, SBI said, "The government today extended the tenure of Bhattacharya as the chairman of SBI for a period of one-year with effect from October 7 or until further orders, whichever is earlier."

The extension, which was expected, comes amid the lender's consolidation with its five associate banks and takeover of Bharatiya Mahila Bank. This move will provide continuity to the process of ongoing consolidation. *Indian Express*

DBS announces new CEO for Asia capital markets arm



DBS has appointed a new Chief Executive Officer of DBS Asia Capital, the bank's Capital Markets arm in Hong Kong and China.

Anuruk Karoonyavanich has been appointed as CEO of DBS Asia Capital.

He succeeds Jerry Tse and will report to Sebastian Paredes, Chief Executive Officer of DBS Bank in Hong Kong, and Seat Moey Eng, Group Head of Capital Markets, DBS Bank.

In his new role, Karoonyavanich will have broad responsibility for the bank's Capital Markets arm in Hong Kong and China, including advisory and underwriting for initial public offerings and secondary fund raisings, pre-IPO fund raisings and advisory, and other corporate finance services.

Prior to joining DBS in 2015, Karoonyavanich was Managing Director and Global Head of Equity Syndicate at Standard Chartered Bank. He has over 17 years of investment banking experience and has worked in Hong Kong, Singapore, Tokyo and Bangkok.

Karoonyavanich has held various senior management positions at Standard Chartered Bank, Nomura and Lehman Brothers, where he led several landmark equity capital markets transactions for issuers across Asia. *East and Partners*

Bank of Taiwan appoints new chairman



Mr. Jye-Cherng Lyu is the newly-appointed chairman of Taiwan Financial Holdings and Bank of Taiwan. Mr. Lyu, also known as Joseph, served as the Chairman of Mega International Commercial Bank. He previously served as an Independent Director at Wisdom Marine Lines Co., Limited. Prior to joining Bank of Taiwan, Mr. Lyu was the Minister of Finance of Taiwan, Republic of China. Mr. Lyu received his Master's Degree in Business Administration from Northwestern University in 1989, and Bachelor's Degree in Banking from National Chengchi University (Taiwan) in 1979.

Hua Nan Financial names head



Former deputy minister of finance Wu Tang-chieh on September 12 took over as chairman of state-run Hua Nan Financial Holding Co, saying he would underscore risk control and legal compliance so the conglomerate can become a top-five player in Taiwan.

Wu, who was appointed as state-owned Land Bank of Taiwan's chairman one week after the change in governments on May 20, filled the vacancy left by Shiu Kuang-si.

Shiu was appointed to the helm of Mega Financial Holding Co on Aug. 16, but stepped down two weeks later to take responsibility for a failure of compliance by Mega International Commercial Bank's New York branch that led the New York State Department of Financial Services to impose a fine of US\$180 million.

"Corporate governance is my focus and strength after more than three decades of government service in related fields," Wu said at a handover ceremony.

Wu held several positions at the Ministry of Finance and Financial Supervisory Commission after passing civil servant examinations. He has a bachelor's degree in taxation and a master's degree in finance. *Taipei Times*

First female chief at Land Bank Taiwan



Joanne Ling became the the first female chair of Land Bank.

Ling carries an extensive experience, having served as chief secretary at the Ministry of Finance, head of the National Tax Administration of Northern Taiwan, head of the National Taxation Bureau of Taipei, director-general of the National Treasury Administration and chair of the Export-Import Bank of the Republic of China.

In her speech at the handover ceremony, Ling said she felt honored to assume the chair at Land Bank, saying the bank had stable asset quality but would continue to seek profits to boost its capital adequacy ratio.

"We plan to achieve the goal through income diversification without compliance failures that might cost more," Ling said. *The China Post*

Among Member Banks

-  **BoB to accept JCB debit and credit cards** - With the launch of Japan Credit Bureau (JCB) cards, the Bank of Bhutan (BoB) will become the first bank in the country to accept cards issued by Japan Credit Bureau International Company. This partnership coincides with the 30th Anniversary of the establishment of diplomatic relations between Bhutan and Japan. JCB is a major global payments brand and a leading payment card issuer and acquirer in Japan. JCB launched its card business in Japan in 1961 and began expanding worldwide in 1981. Its acceptance network includes about 31 million merchants and over a million cash advance locations in 190 countries and territories. JCB cards are now issued in 21 countries and territories, with more than 95 million card members. This banking partnership makes possible the acceptance of any JCB Branded Debit and Credit Cards at any of BoB's Point of Sale (PoS) terminals and ATMs across Bhutan. BoB at present has more than 480 PoS terminals in various merchant locations and 82 ATM's set up across the nation. With JCB acceptance introduced in addition to existing Visa and MasterCard, the Bank of Bhutan now accepts three major International card brands covering most of the major cards issued worldwide. *BOB News Release*



-  **BEA offers instant credit card approval to university students** - The Bank of East Asia, Limited (BEA) on September 28 announced that it is rolling out instant credit card approval for university students. A credit card number and other details will be issued to successful applicants on the spot. Students can then add their new card to Apple Pay and make purchases straight away, earning a 25% cash rebate as well as enjoying a range of other special offers. This new feature will first be available to students who apply for the PolyU Visa Card at BEA's branch at The Hong Kong Polytechnic University (PolyU). BEA will further extend this new service to other branches located on or near university campuses. Students will receive a HK\$ 25 Starbucks gift certificate after submitting all required documents. Students who successfully apply will be entered into a Sure-Win Lucky Draw for the chance to win a smartwatch or another attractive prize. *BEA News Release*



-  **ICICI Bank introduces 'Software Robotics' to power banking operations** - ICICI Bank, India's largest private sector bank, on September 8 announced the deployment of 'Software Robotics' in over 200 business processes across various functions of the bank. The bank is the first in the country and among few, globally, to deploy 'Software Robotics' that emulates human actions to automate and perform repetitive, high volume and time consuming business tasks cutting across multiple applications. At ICICI Bank, software robots have reduced the response time to customers by up to 60% and increased accuracy to 100% thereby sharply improving the bank's productivity and efficiency. It has also enabled the bank's employees to focus more on value-added and customer-related functions. The software robots now perform over 10 lakh banking transactions every working day. ICICI Bank has deployed



these software robots in over 200 business process functions across the organization including retail banking operations, agri-business, trade & forex, treasury and human resources management among others. The bank has implemented the 'Software Robotics' platform mostly in-house, leveraging recent advancements in artificial intelligence such as facial and voice recognition, natural language processing, machine learning and bots among others. *ICICI Bank News Release*

 **Saman Bank chairman attends Iran-Australia trade session -**

Chairman of Iran's Saman Bank took part in joint trade session of Iran and Australia to clarify on capacities and capabilities of the bank with regards to attracting and directing foreign investment. As reported by public relations office of Saman Bank, the first post-JCPOA Iran-Australia trade conference, which was held on



October 2 and attended by Australian Minister for Trade, Tourism and Investment Steven Ciobo and a number of Australian businessmen and bankers, had Vali Zarrabiyeh as a speaker in Banking and Financial Affairs Panel who took the opportunity to explain on services the bank provides in international arena. "During the sanctions regime, our bank had offered immense services in fields of trade and export to the clients; it is notable that in recent years about 13% of total export of the country has been supported by Saman bank," Zarrabiyeh told the gathering. Zarrabiyeh continued "currently, we have brokering ties with 330 bank in 70 countries all across the world; such a extensive network allows us to provide clients with international services of cash transfer, issuing foreign currency guarantees, opening LCs as well as documentary drafts." *Saman Bank News Release*

 **MUFG signs Memorandum of Understanding with the Moroccan Investment Development Agency -**



Bank of Tokyo-Mitsubishi UFJ

The Bank of Tokyo-Mitsubishi UFJ, Ltd., a member of Mitsubishi UFJ Financial Group, Inc. (MUFG), has signed a Memorandum of Understanding (MOU) with the Moroccan Investment Development Agency, Agence Marocaine de Développement des Investissements (AMDI), to promote and strengthen investment between Japan and Morocco. This is the first time AMDI has signed a MOU with a private financial institution. AMDI was established in 2009 as a national authority legally empowered to attract, promote and develop investments in Morocco. Morocco has shown stable economic growth over the past five years and is in a geographically important location in North Africa and gateway to Africa, attracting various foreign investors, such as the automotive and manufacturing industries. Morocco is a strategically important country for Japanese companies operating in Africa. Approximately 40 Japanese corporates have a presence in Morocco, and as in many other African nations, further corporate expansion in Morocco was encouraged following the fourth Japan-Arab Economic Forum in May 2016, and is expected after the sixth Tokyo International Conference on Africa's Development (TICAD), a major global platform launched through which Japan and African nations can collaborate to promote Africa's development. Through this MOU, MUFG will be able to provide stronger support to its Japanese clients looking to establish a presence or invest in Morocco. It is one of the bank's key initiatives for promoting African business in the next few years. *MUFG News Release*

Mizuho receives award for Channel Innovation from the Bank Administration Institute - Mizuho Financial Group, Inc., and Mizuho Bank, Ltd. received the award in the category of channel innovation in the 2016 BAI Global Banking Innovation Awards.



Mizuho was selected from among hundreds of nominations submitted by banks from around the world. The Bank Administration Institute (BAI) is a leading industry group joined by banks across the US which is devoted to improving the performance of financial services companies through strategic research and information, and the education and training of industry leaders. BAI launched the BAI Global Banking Innovation Awards program in 2011. Over the past few years it has received thousands of nominations from financial services organizations all over the world, becoming one of the most prestigious awards in the financial industry. Mizuho is honored to have been selected for the award in the channel innovation category for our innovative use of a humanoid robot, Pepper1, which has served as a concierge in Mizuho Bank branches from July 2015. This initiative made a strong impression for the way in which it introduces a channel for providing new, innovative services and creates a new customer interaction experience. In particular, Pepper's abilities to introduce appropriate products for each customer's needs and to hold interactive conversations in order to guide customers were highly evaluated. *Mizuho News Release*

Japan's SMBC launches mobile payment app in Asian push - Sumitomo Mitsui Banking Corp. is going full tilt into mobile phone-based payment services in Asia as part of a push into financial technology -- or fintech.



The Japanese megabank has co-developed a smartphone payment app with Indonesia's Bank Tabungan Pensiunan Nasional, in which it has a 40% stake. The Jenius app, released in August, allows users to make payments by inputting recipient information such as their bank account number. Even if the sender does not know the recipient's account number, money can be sent, leaving the recipient to fill in the information on the website. Jenius also allows a user to request payments from multiple people at once. Money is sent when the payer approves. This function could be used for a group of friends splitting restaurant bills. In addition, users can cancel or reactivate debit cards that are linked with the service from inside the app. The Indonesian bank introduced its first mobile payment service in March 2015. But with upper limits set for transaction values, the service is mainly targeted at low-income consumers. SMBC, a unit of Sumitomo Mitsui Financial Group, hopes the new app, with additional features and no limits, will appeal to middle and high-income consumers. Jenius will also be targeted at Japanese and other expatriates in Indonesia. The bank expects the number of users to reach 100,000 this year and 1.5 million in 2020. *Asia Nikkei*

Maybank wins "Brand of the Year" at World Branding Awards - Maybank has been presented the "Brand of the Year" award for the third consecutive year at the World Branding Awards held in London - the only brand accorded this recognition under the Banking category for Malaysia.



The World Branding Awards is organized by the World Branding Forum (WBF), a global non-profit organization dedicated to advancing branding standards for the good of the branding community as well as consumers. It organizes and sponsors a range of educational

programs, including collaborations with leading universities and museums. The Awards recognizes and celebrates some of the best global and national brands for their work and achievements. Uniquely, winners are judged through three streams: brand valuation, consumer market research, and public online voting. The Maybank Brand has been valued at USD2.05 billion by Brand Finance Global 500 League Table Report 2016.

Maybank News Release

 **DBS named Asia's safest bank for the 8th consecutive year**

- DBS Bank announced on September 20 that it has been named "Safest Bank in Asia" for the eighth consecutive year



by New York-based trade publication Global Finance. DBS is third on the list of the global safest commercial banks and 12th safest bank globally. "Asian banks put in a strong showing in the top 20, led by Singapore's DBS Bank at number 12," said Global Finance publisher and editorial director Joseph D. Giarraputo. Within Asia itself, the Singapore banks dominate the list, with DBS topping the ranking. "In the past year, Asia has seen landmark political shifts at a time of economic uncertainty. Our ranking of the Safest Banks in the region showcases banks that have built solid foundations—offering security and stability in this rapidly changing environment—and provides a consistent tool for comparing institutional strength within the region," said Giarraputo. "With tighter regulations, now more than ever, corporate clients demand financial services they can trust." Piyush Gupta, CEO of DBS Bank said. *DBS News Release*

 **UOB launches KidSmart program to help parents realize their children's potential** - United Overseas Bank (UOB) on September 22 launched the UOB KidSmart Program to help parents discover and develop their children's full potential.



This program utilises the MIDAS (Multiple Intelligences Developmental Scales) aptitude assessment tool to help parents identify their children's natural talents and decide how to nurture these talents. UOB believes that once a child's natural talents are uncovered, parents can start planning appropriately for his or her future early by saving and investing in suitable financial solutions. The UOB KidSmart Program was launched in response to findings from The UOB Understanding Young Families Survey, which found that almost all parents polled recognized the importance of discovering their children's natural talents for future success. However, only half were familiar with their children's talents and 18 per cent did not know how to tap their children's potential. *UOB News Release*

 **Shanghai Commercial and Savings Bank wins award** - The Shanghai Commercial and Savings Bank recently received an award for



"best customer satisfaction" from Business Today, becoming the only non-financial holdings bank to win the award this year. SCSB President Chiu Yi-jen stated that the bank's philosophy for customer service was centered on warmth, ease and respect in order to guarantee each customer's financial safety, growth and sustainability. The bank has been in operation for 101 years. The bank offers its "One Bank, Total Solution" financial services geared toward Taiwanese enterprises, with a presence in Shanghai, Hong Kong and Taiwan. In the future it aims to move to create easy-to-use financial tools geared for the younger generation while cultivating the professional breadth of its employees. *The China Post*

Banking and Finance Newsbriefs**Hong Kong****Hong Kong ranked freest economy for 22nd year**

US think tank Heritage Foundation ranked Hong Kong as the world's freest economy for the 22nd consecutive year.

The index is published annually by the Wall Street Journal while Heritage Foundation evaluates economic freedom in four key areas: rule of law, limited government, regulatory efficiency and open markets.

John C Tsang, financial secretary of the Hong Kong Special Administrative Region, expressed thanks to Edwin J. Feulner, former president of the foundation on October 8.

Tsang said Hong Kong follows classic liberal principles to sustain its economic growth, stability and prosperity. Tsang was in Washington to attend the annual meetings of the International Monetary Fund and World Bank as a member of the Chinese delegation. *China Daily*

India**Financial inclusion a work in progress in India: Arun Jaitley**

Financial inclusion in India is still a work in progress even as substantial gains has been made in this direction in the last two and a half years, Union Finance Minister Arun Jaitley said on October 7.

"It (financial inclusion) is still a work in progress," Jaitley said during a panel discussion on 'Financial Inclusion Not Exclusion: Managing De-Risking' being held on the sidelines of the ongoing annual fall meeting of the International Monetary Fund and the World Bank.

India's successful efforts in this regard, particularly the Jandhan Yojana came in for special praise by the US Treasury Secretary Jacob Lew and the World Bank President Jim Young Kim during the meeting.

"In India last year, millions of people signed up for banking through technology which was unthinkable till a few years ago," Lew said.

"What is going on in India is stunning. It is fantastic. Literally billions of dollars is being saved," the World Bank President said referring to the steps being undertaken by India with regard to financial inclusion. *Financial Express*

Malaysia**Malaysia's Digital economy to be given emphasis in 2017 Budget**

The upcoming 2017 Budget will put more emphasis on enhancing the Malaysia's digital economy, said Treasury Secretary-General, Tan Sri Irwan Serigar Abdullah on October 6.

The digital economy, he said, has a huge impact on the ecosystem and Malaysia is focused on transforming its economy based on an innovation-led growth.

Irwan said a thriving, digital economy has the ability to contribute some 20 per cent to the gross domestic product (GDP) of Malaysia by 2020.

"This is the reason why it would be the focus of the 2017 Budget," he said in his speech during the Government Digital Transformation: Innovative Government 4.0 event.

Prime Minister Datuk Seri Najib Razak had in early August shared that digital economy contributes to 16.3 per cent of the GDP. Irwan said Malaysia aspires to have a digital economy that contributes 20 per cent to the GDP by 2020. *New Straits Times*

Japan**BOJ chief sees no need to cut rates now**

Bank of Japan Gov. Haruhiko Kuroda has said the central bank “will not hesitate” on monetary easing if necessary, but noted that the Japanese economy’s moderate recovery means such action is not currently warranted.

Referring to the bank’s forecast that the economy will grow about 1 percent in fiscal 2016 and accelerate 1.5 percent in fiscal 2017, largely due to hefty fiscal stimulus, Kuroda on October 8, ruled out further easing for the time being.

“At this stage we don’t think it’s necessary to further reduce” the negative 0.1 percent rate on some reserves that commercial banks park at the BOJ, he said.

“But if it becomes necessary, we will not hesitate to reduce interest rates or expand the asset purchase program,” he said in a question-and-answer session after delivering a speech at the Brookings Institution think tank in Washington. *Japan Times*

Korea**Bank of Korea sees only small risk of capital flight when Federal Reserves raises rates**

South Korea’s central bank said on October 4 that any US interest rate hikes had only limited prospects of triggering a massive flight of capital from South Korea, and it would not hike rates immediately after the US does.

“When we consider the fundamentals of our economy, sovereign debt ratings and foreign exchange reserves, the chance that we will experience great outflows is not big,” the Bank of Korea (BOK) said in prepared responses to lawmakers’ requests ahead of a parliamentary audit.

“Even if there are outflows, we feel local banks have ample foreign exchange liquidity to withstand them.”

Bank of Korea Governor Lee Ju-yeol later told lawmakers a Federal Reserve rate hike would not lead directly to higher interest rates at home.

“We’ll have to make a decision on policy after we see what happens to markets and the economy after the Fed rate hike,” Lee said. *Financial Express*

Oman**Oman takes center stage in Middle Eastern loan market**

Oman is becoming a focus of the Middle Eastern loan market as more Omani companies line up to tap the international loan market, but the sudden upturn in borrowing from the Sultanate is stretching banks exposure limits, bankers said on October 7.

Oman's government and state-linked firms are turning to the syndicated loan market as low oil prices weaken government finances and make it harder for the state to fund projects from internal resources.

"Activity at the moment in the Middle East is essentially centered around Oman, with a little bit in the UAE," a banker said.

Oman Oil Company Exploration & Production (OOCEP) appointed Sumitomo Mitsui Banking Corp as financial advisor recently on a loan that is likely to exceed \$1bn, banking sources said.

Talks are still at an early stage and the upstream oil and gas company, a subsidiary of state-owned Oman Oil Co, is expected to raise the financing early next year, the sources said. The deal is likely to have a secured pre-export financing structure. *Arabian Business*

Philippines**'Financial system strong but small banks pose risks'**

The Philippine financial system as a whole is much stronger now than a decade ago but shows pockets of weaknesses among smaller thrift and rural banks, Fitch-owned BMI Research said.

BMI noted that the structure of the banking sector is heavily fragmented and heterogeneous.

"Although the banking and financial system is fairly robust as a whole, we highlight that risks are unevenly spread out across the industry, and there are pockets of credit risks among the smaller thrift and rural banks."

The think tank pointed out that the larger commercial banks are well poised to weather market volatility, but the smaller rural and thrift banks have a higher exposure to consumer and agricultural loans with a higher tendency to turn sour and leave them more vulnerable to economic shocks and market volatility.

Most of the performance indicators are skewed toward the larger universal and commercial, masking some risks inherent in the other segments of the banking sector, it said. *Manila Times*

Russia**Russia hones bank oversight in biggest shakeup since crisis**

Russia's central bank sidelined the officials who headed its unprecedented cull of lenders, rearranging its leadership in the biggest shakeup since a currency crisis last year.

Dmitry Tulin, the first deputy governor in charge of monetary policy, will replace Alexei Simanovsky and take over banking regulation and supervision starting Oct. 17, according to a statement on October 3. Deputy Governor Mikhail Sukhov, who was also responsible for bank oversight, will leave, while Simanovsky will become an adviser to Governor Elvira Nabiullina, who'll get direct control of monetary policy from Tulin.

"That's a big surprise, nobody expected such shifts," said Oleg Kouzmin, a former central bank adviser who's now chief economist for Russia at Renaissance Capital in Moscow. "There's a desire to have more efficient supervision."

The changes mark the biggest leadership overhaul since Tulin returned to the central bank in January 2015 as authorities struggled to contain the country's worst currency crisis since the government's debt default in 1998. Tulin, who joined the Soviet central bank in 1978 and has also worked at the International Monetary Fund, has experience in lender supervision after serving as the Russian monetary authority's deputy chairman in the mid-1990s and again in 2004-2006. *Bloomberg*

Singapore**No recession but Singapore may see some quarters of negative growth: MTI**

The possibility of Singapore's economy experiencing "some quarters of negative growth" cannot be ruled out even though the Government does not expect an outright recession, said Trade and Industry (Trade) Minister Lim Hng Kiang in Parliament on October 10.

"Our base line projection is not an outright recession, but we cannot rule out the possibility that the economy will experience some quarters of negative growth on a quarter on quarter basis," said Mr Lim in response to a parliamentary question from Member of Parliament Seah Kian Peng on whether a recession is imminent given the deterioration in recent economic data.

According to the minister, the MTI expects Singapore's gross domestic product (GDP) for the second half to come in lower than the 2.1 per cent seen in the first six months of the year. For the full year, the MTI is still expecting the economy to grow between 1 to 2 percent, "albeit on the lower end of the projection curve", Mr Lim added.

Given the ongoing developments in the global economy, the Government will continue to monitor the situation closely and stands ready to respond in the event of a downturn, Mr Lim said. *Channel News Asia*

Taiwan

Taiwan's economy shows signs of steady growth: NDC

Taiwan's economy continued to show signs of steady growth in August, with monitoring indicators flashing a green light for the second consecutive month, according to a report released on September 29 by the National Development Council (NDC).

It was only the second time in 17 months that the economy has flashed a green light.

The NDC uses a five-color system to gauge the country's economic situation, with blue indicating economic recession, yellow-blue representing economic sluggishness, green denoting stable growth, yellow-red referring to a warming economy, and red pointing to economic overheating.

The economy flashes a different color based on the council's composite monitoring indicator. The indicator measures growth or decline in nine components of the economy. *Focus Taiwan*

Thailand

Thailand's economy to grow 3.2% to 3.5% this year: deputy PM

Thailand's economy is expected to grow 3.2 percent to 3.5 percent this year, largely fuelled by increased foreign investment and record-high tourism, a deputy prime minister said on October 10.

"The economy is now moving forward from increasing foreign direct investment and a record high number of tourists," Deputy Prime Minister Somkid Jatusripitak told reporters.

The forecast is in line with that of the Thai central bank, which recently raised its 2016 economic forecast growth to 3.2 percent from 3.1 percent.

Thailand has forecast a record 33 million visitors this year, driven mostly by an increase in Chinese tourists.

The Thai economy expanded 2.8 percent last year. *Reuters*

Vietnam

Vietnam banks see 2016 credit growth at 21.8 percent: central bank survey

Banks in Vietnam expect lending this year to exceed the central bank's target, growing 21.82 percent from the end of 2015 as improved business conditions have spurred credit demand, according to a new survey by the central bank.

The State Bank of Vietnam has targeted credit growth of between 18 percent and 20 percent this year, up from 17.26 percent in 2015.

Vietnamese lenders said deposits in the local currency may grow 16.85 percent this year, but they forecast a decline in foreign currency deposits to 6.9 percent, following sharp cuts in interest rates, the survey found.

As many as 87.6 percent of the banks participating in the survey said their liquidity in the Vietnamese dong and foreign currencies remained good. *VnExpress*

Publications

Impact Evaluation in Practice - Second Edition

The second edition of the Impact Evaluation in Practice handbook is a comprehensive and accessible introduction to impact evaluation for policymakers and development practitioners. First published in 2011, it has been used widely across the development and academic communities. The book incorporates real-world examples to present practical guidelines for designing and implementing impact evaluations. Readers will gain an understanding of impact evaluation and the best ways to use impact evaluations to design evidence-based policies and programs. The updated version covers the newest techniques for evaluating programs and includes state-of-the-art implementation advice, as well as an expanded set of examples and case studies that draw on recent development challenges. It also includes new material on research ethics and partnerships to conduct impact evaluation.



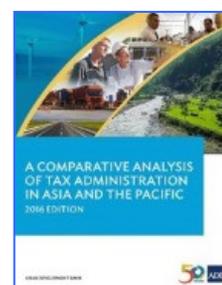
Contact for details: World Bank Publications
Website: <https://publications.worldbank.org>

A Comparative Analysis of Tax Administration in Asia and the Pacific: 2016

This comparative analysis report analyzes the administrative frameworks, functions, and performance of 21 economies in Asia and the Pacific and shares important developments and trends in tax administration practice and performance.

The analysis and practical guidance provided in this report are based on surveys of revenue bodies conducted in 2014 and 2015, along with accompanying research of revenue bodies' corporate documents, and guidance and diagnostic materials published by international organizations that seek to promote improvements in tax administration.

The report series aims to help revenue bodies and governments identify opportunities for enhancing the operation of their tax systems by sharing internationally comparable data on aspects of tax systems and their administration. However, considerable care needs to be taken with international comparisons of tax administration setups and performance-related data.



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Financial Inclusion in the Digital Economy

Experts shared insights on expanding innovative financial inclusion solutions to meet development objectives at the Conference on Financial Inclusion in the Digital Economy held 24-25 May 2016 in Manila, Philippines.

The conference focused on the following themes: (i) trends in digital financial inclusion—key opportunities and challenges for reaching the unbanked and underbanked, (ii) a customer-centric approach to financial inclusion, (iii) digital business models for accessing financial services, (iv) supervision and regulation of digital financial services, and (v) cost and value of digital finance. Experts shared insights with participants about what works and what does not in the digital ecosystem for expanding innovative financial inclusion solutions to meet their development objectives. The report also discusses the role of multilateral development banks in supporting the development of digital finance by providing policy advice and financing.



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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

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