

General Meeting and Conference**Asian bankers discuss global integration in Vietnam**

Over 200 bankers from Asia-Pacific, the Middle East and other regions - composed mainly of members of the Asian Bankers Association (ABA) led by ABA Chairman **Mr. Daniel Wu**, President and CEO of the CTBC Financial Holding Co. from Taiwan - gathered in Ha Long Bay, Vietnam on November 10-11, 2016 for the 33rd ABA General Meeting and Conference.

Hosted and organized by Bank for Foreign Trade of Vietnam (Vietcombank) under the leadership of its Chairman **Mr. Nghiem Xuan Thanh**, the gathering was held at VinPearl Resort in Ha Long Bay.

This year's Conference carried the theme "Asian Banks: Towards Global Integration". Invited speakers from the banking and financial industry, regulatory agencies, and the academe examined issues that revolve around Asia's growing influence in and integration with the global economy and its implications for Asian banks.

Invited as Special Guest of Honor was **H. E. Nguyen Duc Lung**, Chairman of the Peoples' Committee of Quang Ninh Province, Socialist Republic of Vietnam.

The Keynote Speech was delivered by **H. E. Le Minh Hung**, Governor of the State Bank of Vietnam, the country's central bank. In his keynote speech, H. E. Le Minh Hung, Governor of the State Bank of Vietnam, the country's central bank, said that although there are a lot of

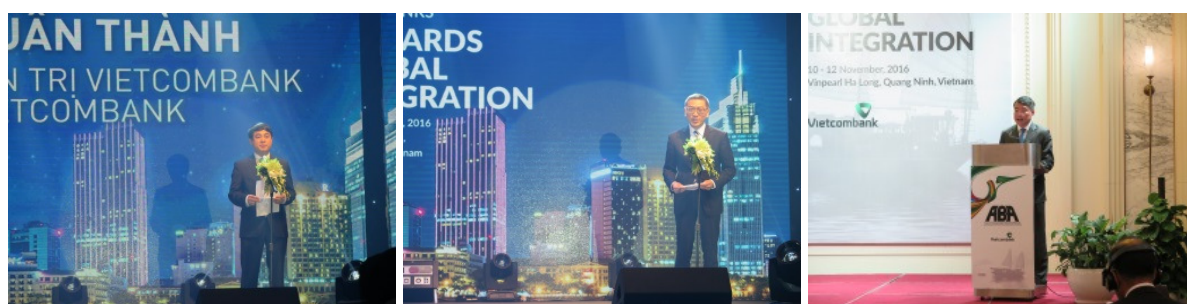


challenges and difficulties ahead, especially when unexpected fluctuations are seen in both regional and global economy, it is believed that with cooperation and initiative, ABA continues to be a significant factor in the growth and prosperity of Asia. In regard to Vietnam, he added that the banking sector is committed to continuous improvements in customer service, and advanced technology applications, to develop its operation, financial and managerial competencies to be able to adapt and create values to contribute to Asia's prosperity.

Vietcombank Chairman and ABA Vice Chairman, Mr. Nghiem Xuan Thanh in his Welcome Remarks said, "On behalf of the host bank, it is my honor to welcome all the distinguished guests including representatives of the Party and the Government, ABA members and leaders from banks across the region to the 33rd Annual ABA General Meeting and Conference here today in Ha Long Bay, one of the UNESCO World Heritage wonders. This is the second time ABA is held in Vietnam and it is also the second time Vietcombank has been nominated to be the host organization of this important international and meaningful event."

"As we may all know, economies across the globe have been connected and have big impact on each other in many aspects, which offers a lot of opportunities as well as challenges at the same time to banks in Asia, one of the economic regions with the fastest growth rate in the world recently. Therefore, "Asian Banks: Towards Global Integration" was chosen to be the theme for the ABA Annual General Meeting and Conference this year, with the hope to provide participants with trends, outlook, opportunities, challenges as well as practical recommendation for all the banks in the region to prepare for this orientation."

"Moreover, I believe all the plenary sessions have provided useful and most updated information in the banking industry both inside and outside Asia boundaries including factors shaping the global economy in the future, impacts from changes in the regulatory environment, transformational change in digital banking and growth drivers for global financial integration."



*Vietcombank Chairman
Mr. Nghiem Xuan Thanh*

*ABA Chairman
Mr. Daniel Wu*

*Governor of the State Bank of
Vietnam H.E. Mr. Le Minh*

ABA Chairman Mr. Daniel Wu in his Opening Statement said that Asia's economies have boomed in recent decades. The region today accounts for about 40% of the world's GDP, up from 25% in 1990, and contributes about two-thirds of global economic growth, he noted, adding that Asia is expected to continue to grow at an average annual rate of 5%, leading global economic expansion. The rapid economic growth in the Asia-Pacific region in the past decades has led to increased openness and greater integration of the region into the global economy, elevating the region into a central position in global economic and financial affairs.

As regards Vietnam, Chairman Wu cited the country as an economic development success story, noting that the political and economic reforms launched in 1986 have transformed the country into lower middle income status within a quarter of century. Moreover, Vietnam has boosted its international economic integration, as it enters into more free trade agreements with other countries. He expressed confidence that holding this year's ABA annual gathering in Vietnam will increase the knowledge of ABA members about the country and help them identify business opportunities it offers.

Education and Training**Short-Term Visiting Program to Maybank, Malaysia
on January 18-19, 2017**

The ABA would like to cordially invite member banks to participate in the short-term visiting program that the Malayan Banking Berhad (Maybank) is once again hosting in Kuala Lumpur, this time to be held on January 18-19, 2017.

The primary objective of ABA's short-term visiting program is to provide member banks the opportunity to study and undergo training on specific aspects of the operations and facilities of the more advanced host banks (such as Maybank). The idea is to enable the visitors to: (i) enhance and upgrade their technical skills and knowledge in specific banking areas in the distinct and peculiar social, economic and business environment of the host country, and (ii) gain first-hand knowledge of the operations, systems and work procedures of the host bank's various line departments.

This year's Maybank program will cover topics such as wealth management in Asia, global banking, group compliance, risk culture, transaction banking, and HNW and affluent banking. Participants will also be given a guided tour of Maybank's Banking Hall.

The January 2017 program follows the highly successful and well-received Maybank visit held in November 2015.

NO PARTICIPATION FEE

There is no participation fee for attending the Maybank program. However, participants shall cover their airfare and hotel accommodation.

PROPOSED VENUE

The Maybank Program is tentatively scheduled to take place at the Maybank Headquarters, which is located at Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

The ABA is encouraging its member banks to take advantage of this opportunity to learn from Maybank's experience in several key banking operations. Email the ABA Secretariat at aba@aba.org.tw to register or request for more information.

Taiwanese Study Tour Group Visits the Bankers Association of the Philippines

A study tour group from Taiwan met with officers and members of the Bankers Association of the Philippines (BAP) on the morning of September 28, 2016 in Manila. The 20-member delegation was composed largely of bankers and finance experts from Taiwan. They were warmly received by BAP officers led by BAP President Mr. Nestor Tan at the headquarters of Banco De Oro, of which Mr. Tan is President and CEO. The two sides exchanged views and shared information on the current economic and investment environment in the Philippines, latest developments in foreign banking regulations, corporate banking and trade finance market in the Philippines and on opportunities that the country offers for Taiwanese bankers and entrepreneurs.



News Updates

How America's new president will affect the global economy

The Guardian

Donald Trump's victory in the US presidential elections will have implications for the whole global economy.

Mexico

America's neighbour to the south has most to lose from the new Republican president. Trump's message to blue-collar voters in the rust-belt states was that US manufacturing jobs have migrated across the Rio Grande as a result of the North American Free Trade Agreement signed by Bill Clinton in the early 1990s. Trump has said that if he cannot renegotiate Nafta he will pull out of the free trade deal altogether. He has threatened to put a 35% tariff on some Mexican goods and pledged to close the "sweatshops in Mexico that undercut American workers".

In addition, he has said he would round up and send home up illegal immigrants living and working in America, 5 million of whom are thought to be Mexican. If implemented in full, the impact on the Mexican economy of these policies would be profound. Trade between



A trader works at his desk at ETX Capital in central London as the US presidential election result is announced on a TV screen. Photograph: AFP/Getty

the US and Mexico would slow, factories would close, foreign direct investment flows would dry up and millions of repatriated workers would have to be absorbed into the Mexican workforce. US consumers would see the price of some goods rise.

Mexico is not the only central American country at risk. Claudia Calich, fund manager at the M&G emerging market bond fund, says remittances from people working illegally in the US are worth 5.6%, 8% and 13.2% of GDP to the economies of Guatemala, El Salvador and Honduras respectively.

China

Some of Trump's economic manifesto has been hazy but his attitude to China could not have been clearer. He will instruct his Treasury secretary to label China a currency manipulator, he will bring cases against Beijing to the World Trade Organization, and he will consider imposing a 45% tariff on Chinese imports into the US to make it easier for American companies to compete.

The US is the biggest single market for Chinese exports, accounting for about 20% of the total. There would be a risk that aggressive US trade policy could result in a marked slowdown in China's growth and a loss of manufacturing jobs.

Faced with that possibility, Beijing would have two choices. It might take an emollient line, promising to increase direct investment into the US as a way of supporting Trump's attempt to rebuild the American economy.

More likely, though, China would adopt an aggressive, nationalistic stance. Beijing is not without economic weapons, since it has amassed a vast stock of US Treasury bonds in recent years, the proceeds of its trade surplus with America. Beijing could meet Trump's threat with one of its own: to dump US assets. A tit-for-tat trade war, in which China puts tariffs on US exports, could not be ruled out either.

The rest of Asia

Barack Obama has shifted the focus of US foreign policy. For most of the postwar period, Washington has looked eastwards across the Atlantic. Since the collapse of communist Russia and the rise of China, its gaze has been westwards across the Pacific.

This has been reflected in all three manifestations of American power: military, diplomatic and economic. Obama saw the Trans-Pacific Partnership as a way of keeping countries such as Japan, Brunei, Singapore and Malaysia out of Beijing's orbit. All these countries have an export-led model of growth and Obama's plan was to create a US-led free trade zone that included all the major economies of the Pacific apart from China.

That plan now lies in tatters. There will be no TPP under a Trump presidency and all the signs are that countries such as South Korea and Taiwan will be subject to the same protectionist strictures as Mexico and China.

This would result in slower growth across Asia as exports and investment weaken. Japan, which has been in the doldrums for a quarter of a century and which remains on the brink of deflation, appears to be most at risk, but it is not alone in being anxious about the impact of Trump.

In geopolitical terms, a tough US trade stance provides China with the opportunity to increase its influence in the region, bolstering economic ties and making countries of the Pacific rim less dependent on the American market.

Europe excluding Britain

The main short-term risk to Europe looks to be political rather than economic. Matteo Renzi's left of center government may struggle to win a referendum on constitutional change in Italy next month. There are elections next year in Germany, France and the Netherlands where parties of the right will be looking to surf the populist tide that carried Trump to his win. There will be nervousness in the Baltic states of Latvia, Lithuania and Estonia about the possibility that Russia will be emboldened by Trump's apparent isolationism.

There are, however, economic and financial implications for Europe. Like Asia, the eurozone is heavily reliant on exports as a source of growth. These could be affected in two ways: through a more restrictive US trade regime and if a weaker dollar drives up the euro on the foreign exchanges.

Completing negotiations for the Trans-Atlantic Trade and Investment Partnership (TTIP) always looked like an uphill struggle because Trump was against the concept in principle and Hillary Clinton – despite being a free trader by instinct – was not prepared to spend any political capital pushing for a deal. TTIP will never happen.



A broker reacts as President-elect Donald Trump appears on a television screen at the stock market in Frankfurt, Germany. Photograph: Michael Probst/AP

The relative calm of financial markets immediately after Trump's victory will come as a great relief to European banks, which look highly vulnerable to a sustained bout of jitters. For months, there have been rumours about the health of the Italian banking system and one of Germany's leading banks, Deutsche. Plentiful supplies of cheap money from the European Central Bank and relatively benign conditions in recent months have kept the problems hidden from sight. For now, at least.

Britain

The UK will not be immune from any slowdown in the global economy that might result from a Trump victory. Britain is the second biggest exporter of services in the world and America takes more of them than any other country.

But Trump's protectionist measures are targeted at cheap manufactured goods, rather than the high-end services Britain provides, so at present there seems little reason to fear that any new barriers will be erected for UK firms.

Trump has said the UK will be at the front of the queue for a new trade deal, which suggests negotiations on a bilateral TTIP-style deal could get under way between Washington and London.

This would be helpful to Theresa May, who has been struggling to show that the UK can clinch its own trade deals after it leaves the EU. Her bargaining position with the other 27 members of the EU will be strengthened if she can show that she can do business with Trump, even though the stalled state of the current TTIP negotiations suggests that starting talks will be a lot easier than concluding them.

In the short term, Trump's win helps take the pressure off the pound. Sterling has been sold heavily against the dollar since the EU referendum, partly because of uncertainty about what the UK will look like after Brexit. Trump's victory brings risk and uncertainty into the equation for the US as well.

Special Feature**How can banks deal with the challenges of digitalization in Asia?**

By Holger Frank

Article published by Asian Banking & Finance

New technology companies looking to break into the financial services sector are bringing fresh competition for banks – prompting a new era of digital innovation. But how can banks take advantage of this innovation and stay ahead of the competition?

With the financial services industry undergoing a period of rapid digitalization, specialist technology companies are joining the fray – stoking the fires of competition and innovation. It's a development that is forcing banks to adapt – using new digital efficiencies to press home their core advantages.

Certainly, the arrival of new players in the transaction services market is prompting banks to prioritize innovation. But they should be wary of playing technology companies at their own game. Rather, for banks to be successful, they must find ways of innovating that play to their existing strengths, such as their long-held financial expertise, deep customer relationships, and trusted reputations.

By amplifying these advantages with digital efficiencies, banks can create highly competitive products that will keep them at the forefront of the financial services sector, even in the face of stiff competition.



Innovating to bring out core strengths

Indeed, this approach can already be seen in the latest wave of innovation, with tools such as the Bank Payment Obligation (BPO), which combines traditional bank mediation with enhanced digital capabilities such as automated data generation and compatibility with straight-through processing.

Asia is particularly well placed to drive adoption of this tool. With the majority of Asian corporates still settling trades via letters of credit, importers and exporters alike will find that they can realize considerable efficiencies by settling some of their transactions via BPOs instead.

Virtual accounts – another recent innovation – are equally notable for their use of core bank strengths. These enable corporates to pool their funds in a single account, which can then be divided into almost any number of sub-accounts. These function much like real accounts – with their own account numbers, permissions, and funds – but the money they contain is really a notional allocation from the central parent account.

As such, banks continue to provide almost identical cash management services, but corporates have vastly improved visibility and control over their accounts.

Treasury centralization is already receiving a great deal of press at the moment, with many Asian locations such as Shanghai, Hong Kong, and Singapore looking to attract business by offering tax incentives for those establishing regional treasury centers in their jurisdictions.

And for those Asian corporates looking to expand into new regions such as Europe,

centralizing treasury processes through virtual accounts can provide similar efficiencies. For instance, accounts for new offices, departments, and subsidiaries can be opened and closed with unprecedented ease through an online platform, rather than through face-to-face meetings with the bank.

Looking to the future

Meanwhile, both these innovations can help banks as they look to harness the potential of big data. The BPO and virtual accounts both generate granular data automatically, and this can be analyzed with other information to identify opportunities for refining everything from routine internal processes to sales targeting and risk assessment.

These are all developments banks can build upon, intensifying their existing strengths with sophisticated technology and simple interfaces to improve the level of service they provide – and consolidating their client relationships as they do so.

Nevertheless, this is only the beginning of the road – and more innovation must come for banks to stay ahead of the competition. Yet if they can continue to innovate intelligently – compounding their existing advantages with greater speed, efficiency, and convenience – they can pave the way for an exciting future.



The views expressed in this column are the author's own and do not necessarily reflect this publication's view, and this article is not edited by Asian Banking & Finance. The author was not remunerated for this article.

Holger Frank joined UniCredit in 1991 and has worked in different functions including risk management, corporate banking network, corporate development, M&A, and FIG.

Member Personality**Bank of East Asia (China) appoints Cartier Lam Chi-man as executive director & chief executive**

The Bank of East Asia (China) Limited, the wholly-owned Mainland China subsidiary of The Bank of East Asia, Limited, announces that its Board of Directors has appointed Mr. Cartier Lam Chi-man as Executive Director and Chief Executive of BEA China. Mr. Lam's appointment has been approved by the China Banking Regulatory Commission. Mr. Lam succeeds Mr. Kwan Tat-cheong, who will take up a new position as Senior Advisor to BEA China.

Aged 52, Mr. Lam is a native of Hong Kong and holds a doctorate degree in Business Administration. Mr. Lam has gained more than 20 years of extensive banking experience on the Mainland. He served as Business Manager of BEA's Guangzhou Branch, Chief Representative of BEA's Fuzhou Representative Office, and then General Manager of BEA's Dalian Branch and Xiamen Branch. Prior to his new appointment, Mr. Lam served as Deputy Chief Executive of BEA China.

Mr. Lam's extensive experience in the banking industry and his deep insight into the Mainland's financial markets will support the subsidiary bank's growth despite the current challenges facing the domestic banking industry in China. Mr. Lam is expected to continue BEA China's strategy of adopting innovative banking technologies, penetrating industries that the government has pledged to develop under the economic transformation development plan, and providing quality financial services to customers. *BEA News Release*

ICICI Bank appoints Anup Bagchi as Executive Director to head retail business


The Board of Directors of ICICI Bank Limited approved the appointment of Mr. Anup Bagchi, Managing Director & CEO, ICICI Securities Limited, as Executive Director of the Bank for a period of five years, subject to necessary approvals. He will take over as the Head of Retail Banking effective November 1, 2016. His appointment to the Board will be effective from February 1, 2017, or the date of regulatory approval of his appointment, whichever is later.

Mr. Bagchi joined ICICI Limited in 1992. Over the last 24 years, he has worked in key positions in the ICICI Group in the areas of retail banking, corporate and investment banking and treasury.

He was appointed as Managing Director & CEO of ICICI Securities in May 2011. Prior to that, Mr. Bagchi was an Executive Director at ICICI Securities. During his tenure at ICICI Securities, he has led the growth and development of the retail and institutional broking, retail financial product distribution, wealth management and corporate finance businesses.

Mr. Bagchi has deep experience in retail financial services and technology. He has successfully leveraged technology in creating value for the ICICI Group as well as retail and corporate & institutional clients. He led the development of the online trading platform; the development of the internet banking platform at ICICI Bank; and the growth of the retail liabilities & third party product distribution businesses at ICICI Bank. Today icidirect.com is India's leading on-line retail broking platform, combining scale and profitability. *ICICI News Release*


Among Member Banks

-  **BoB inaugurates Changbangdu Sunday branch** - Bank of Bhutan (BoB) will be offering full banking services on Sundays through its branch located in Changbangdu. The Sunday branch at Changbangdu will be open for business on all Sundays from 9AM to 5PM (transactions will close at 4 PM) during the summer and 9 AM to 4 PM during winter (transactions will close at 3.30 PM). According to the CEO Mr. Pema Nadik, “the Sunday Branch is being opened to cater to the needs of the fast-paced life of Thimphu City dwellers and office-goers who may not have the time to visit the Bank during the weekdays. This is yet another initiative taken by the Bank keeping the customers needs in mind.” The CEO added that as the leading bank in the Kingdom, BoB will continue introduce services for the convenience of the citizens of Bhutan as it has been doing for the past 48 years of service to the Nation.” BoB has total of 28 branch offices in the country covering all the Dzongkhags. *BoB News Release*




-  **BEA launches Seniors Month Promotion** - The Bank of East Asia, Limited (BEA) announced the launch of its Seniors Month promotion on November 8, 2016 in support of Senior Citizen's Day, organized by The Hong Kong Council of Social Service (HKCSS). BEA's promotion includes credit card, insurance, healthcare, and mortgage offers for customers aged 65 and above. Eligible BEA customers may also enjoy a range of offers from participating merchants including discounts from hutchgo.com, Jebesen Holudays, health.ESDlife, O'Farm, and Fairwood. Throughout its history spanning nearly 100 years, BEA has supported a wide range of charitable programmes and events serving the elderly. In addition to the “Palliative Care in Residential Care Homes for the Elderly” programme, run by The Bank of East Asia Charitable Foundation in partnership with “la Caixa” Foundation and The Salvation Army Hong Kong and Macau Command, BEA offers further support to senior citizens in Hong Kong through its Volunteer Team, including holding frequent visits to elderly care homes. *BEA News Release*



-  **ICICI Bank UK PLC launches 'Money2India Europe' in Sweden, Norway and Denmark** - ICICI Bank UK PLC, a wholly owned subsidiary of ICICI Bank Ltd, announced the launch of its online money transfer service, 'Money2India Europe' in Sweden, Norway and Denmark. Using this service, anyone residing in these countries can initiate money transfer round-the-clock on 365 days from their local bank account to any bank account in India in a quick and convenient manner. With this, 'Money2India Europe' service is now available in 20 countries in Europe. ICICI Bank UK PLC offers a unique proposition of video-call based identification procedure to verify registered users from the Money2India Europe website. It is completely online and can be completed within 5 minutes. It eliminates the need to courier the Know Your Customer (KYC) documents. ICICI Bank UK PLC has partnered with Inpay A/S, a global payments service provider, to bring this service to consumers in Sweden, Norway and Denmark. Mr. Vijay Chandok, Executive Director, ICICI Bank said, “ICICI Bank has been a



leader in the field of remittances. It has brought path breaking solutions to make remittances simple and convenient. Our focus is to offer state-of-the-art digital products to our valued customers. With NRIs being away from the country, digital channel becomes a very powerful tool for them to connect with India. The video identification process is a unique feature of the Money2India Europe service to enhance customer convenience." *ICICI News Release*

- 
Saman Bank sponsors 3rd Iran-Euro Banking Forum - The 3rd Banking and Business Forum of Iran and Europe will be held in Frankfurt, Germany, with special sponsorship of Saman Bank. The two-day forum will be held on 16-17 November in conjunction with 19th Euro Finance Week with senior Iranian and European banking officials and businessmen in attendance.



Governor of Central Bank of Iran Valliollah Seif, Iran's Ambassador to Berlin Ali Majedi and Senior Advisor of Deloitte Banking Union Rudi Bonte will open the session as keynote speakers. Vali Zarrabieh, Saman Bank CEO, will address the forum on re-connecting Iran to international banking system and investment opportunities in the country. Zarrabieh will also take part in a panel dedicated to current situation of Iran's banking system, which is expected to be attended by Director of Federal Financial Supervisory Authority (BaFin) Peter Kruschel, Deutsche Bank Director General of Payments and Settlement Systems Jochen Metzger, and CBI's head of payment systems Naser Hakimi. *Saman Bank News Release*

- 
MUFG recruiting applicants for second round of M-EIR program to foster entrepreneur CEOs -



Bank of Tokyo-Mitsubishi UFJ

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

- 
SMBC signs basic agreement on ECA finance with the Development Bank of Kazakhstan - Sumitomo Mitsui Banking Corporation (SMBC) signed a basic agreement with the Development Bank of Kazakhstan (DBK) on November 8 for the cooperation of Export Credit Agency (ECA) finance. DBK was established as a state-owned development bank in 2001 to promote the sustainable development of the economy of Kazakhstan through the financing of infrastructure related projects.



Kazakhstan has achieved continuous economic growth in the recent years, utilizing its vast natural resources including oil and mineral resources. Currently there is a strong

initiative to diversify Kazakhstan's industry to further strengthen its economy and realize sustainable growth and there is a strong interest in Japanese technology and products to support such initiatives. Under the agreement, SMBC aims to strengthen its partnership with DBK by collaborating with them in the field of ECA finance to contribute to the further development of Kazakhstan's economy. *SMBC News Release*

- Maybank Group launches “Maybank Women Eco Weavers”** - Maybank Group through its vehicle for Corporate Responsibility, Maybank Foundation, on November 2 launched “Maybank Women Eco Weavers” a regional economic empowerment program for women eco weavers. The program was inaugurated by Chairman of Maybank Group and Maybank Foundation, Tan Sri Dato’ Megat Zaharuddin Megat Mohd. Nor, President Director of Maybank Indonesia Taswin Zakaria, Board of Commissioner of Maybank Indonesia Umar Juoro, and CEO of Maybank Foundation Shahril Azuar Jimin. The Governor of Nusa Tenggara Barat Mr. TGH Muhammad Zainul Majdi and representative from the Ministry for Womern’s Empowerment & Child Protection were also present to witness the launch at Lembaga Penjaminan Mutu Pendidikan (LPMP), Nusa Tenggara Barat, Lombok. “Maybank Women Eco Weavers” is one of Maybank Foundation’s flagship programs which is essentially designed to promote commonalities in ASEAN countries by enriching and promoting traditional woven textiles in a sustainable manner for various communities in becoming economically independent whilst advocating financial inclusion at the same time. *Maybank News Release*



- Bank of Maldives to create 150 new jobs and double community investment** - Bank of Maldives




BANK OF MALDIVES

(BML) on October 30 announced a major expansion of its nationwide presence and services which will include the creation of 150 new jobs within the next twelve months. Half of the new positions will arise in the atolls, with the rest in the Male’ region. The number of people employed by the Bank will increase from 850 to 1,000 while BML’s network of branches will, subject to regulatory approval, grow from 29 to 36. Further positions will be established in a new contact center in Addu and a new customer service center in Male’. The Bank will also invest in 10 new CSR projects across the country as it doubles its overall investment in local communities. BML made these announcements as it released its financial results for Quarter 3 2016 where it reported satisfactory performance in terms of business volumes, loan book quality and profitability. Management advised that the new jobs and increased investment demonstrated it was living up to its commitment to re-invest its profits to support communities across Maldives. 22 different islands are set to benefit from a new branch, business center or ATM, while the 10 new CSR projects will focus on charitable, educational, sports and environmental causes across the country. The Bank estimates it will invest a total of MVR 300 million over the next year. *BML News Release*

- DBP and DTI ink MOA to assist MSMEs** - The Development Bank of the Philippines (DBP) and the Philippine Department of Trade and Industry (DTI) Regions VI and XI have forged an agreement for the implementation of the Adopt a Negosyo Center Program in Iloilo and Davao which is aimed at addressing the medium and long term




needs of micro, small and medium enterprises (MSMEs) to enable them to further grow and achieve their potentials. The memoranda of agreement signed by DBP and DTI aim to provide a framework of cooperation and coordination between the bank and the Negosyo Centers in providing assistance to MSMEs under the jurisdiction of the concerned Negosyo Centers. The Adopt a Negosyo Center program institutionalizes a mechanism of cooperation and shared responsibility among the various partners of the Negosyo Centers. A Negosyo Center aims to serve as a one stop shop wherein MSMEs can access financing, knowledge, and other services to promote their sustained growth. DBP is committed to participate in the conduct of financial literacy forums for SMEs, including knowledge dissemination on the loan application process and requirements. Other partners will provide assistance in their areas of competency. *DBP News Release*

 **DBS to acquire ANZ's wealth management and retail banking business in Singapore, Hong Kong, China, Taiwan and Indonesia** - DBS Bank Ltd (DBS) announced on October 31 that it has agreed to acquire the wealth management



and retail banking business of ANZ in five markets for approximately SGD 110 million¹ above book value. The portfolio of businesses being acquired is in Singapore, Hong Kong, China, Taiwan and Indonesia, representing total deposits of SGD 17 billion, loans of SGD 11 billion, investment AUM of SGD 6.5 billion and total revenue of SGD 825 million for FY2016. They serve about 1.3 million customers, of which over 100,000 are affluent/ private wealth customers and 1.2 million are retail customers. Over the past five years, DBS has consistently grown its wealth management business and is today among the top five private banks in Asia. With the acquisition, DBS will add SGD 23 billion in wealth AUM² to its books, with high net worth clients accounting for SGD 6 billion. This will take DBS' high net worth AUM and total wealth AUM to SGD 115 billion and SGD 182 billion respectively. *DBS News Release*

 **UOB the first bank in Singapore to launch a virtual marketplace for SMEs** - United Overseas Bank Ltd. (UOB) announced on October 13 that it has signed an agreement with cloudBuy, a global provider of cloud-based e-



commerce and business-to-business (B2B) solutions, to create a virtual marketplace for the bank's small- and medium-sized enterprise (SME) customers. This marks the first time that a bank in Singapore will create a B2B marketplace. UOB's B2B marketplace will be launched in Singapore in the first quarter of 2017. It will provide the bank's SME customers with a one-stop shop to view and to purchase online a wide range of business essentials, such as travel, stationery, general insurance as well as courier and logistics services. A key benefit of this marketplace is the cost savings which SMEs will be able to enjoy from bulk-purchase deals negotiated by the Bank with suppliers. UOB data shows that the number of bank's SME customers buying goods and services online has grown by more than 30 percent over the past three years. Two in five UOB business credit card customers are now making their business purchases online. Mr Mervyn Koh, Managing Director and Head of Business Banking Singapore, UOB, said that SMEs' growing digital-savviness and their desire for convenience have contributed to the increasing popularity of B2B e-commerce. *UOB News Release*

Banking and Finance Newsbriefs**Hong Kong****Hong Kong banks seek approval to test biometric authentication for securities trading**

Hong Kong's banking regulator received applications from two banks to test emerging biometric technologies under a new regulatory regime, Hong Kong Monetary Authority Chief Executive Norman Chan said on November 11.

The banks have applied to test the use of biometric authentication of securities trading, Chan said at the regulator's first ever financial technology or "fintech" day on November 11.

"So far two banks have already made use of the sandbox to conduct private trials of their biometric authentication in securities trading services. A few banks are discussing with us and planning to make use of the sandbox for...areas such as blockchain, artificial intelligence and many more," he said, without naming the banks.

The HKMA launched the new regime in September, allowing banks to use a "sandbox" to test new technologies on a limited basis before deploying them to the general public.

Reuters

India**India's black-money experiment shines bright for bonds**

Draining cash from an economy, like drawing blood, is a delicate procedure. As India is finding out, it can be very painful.

India's government on November 8 moved to demonetize high-denomination bills, or 86% of all currency in circulation, and replace them with new series. A week later, cashless crowds are gathering at banks, ATMs have run dry of cash, while the central bank is telling the population not to hoard cash. The Finance Ministry relaxed previously announced daily limits on withdrawal and is taking steps to ease the pain.

The shock reform is aimed at rubbing out India's pervasive black money—or unaccounted-for cash, some counterfeit, some legitimate but evading taxes. It is a bold move for Prime Minister Narendra Modi, who should get credit for bringing a larger part of the shadow economy into the formal economy.

But it is a dangerous move in the near term. The shadow economy accounts for more than 20% of gross domestic product and cash is equal to 12% of the GDP, triple the level in emerging markets generally, according to Nomura. *Wall Street Journal*

Japan**Japan economy: Exports help faster-than-expected growth**

Japan's economy expanded at a faster-than-expected rate between July and September, due to higher exports.

Gross domestic product rose at an annualized rate of 2.2% in the three months to September, the third consecutive quarter of expansion.

Japanese firms have relied on overseas sales to make up for lacklustre domestic demand.

There are concerns a Donald Trump US presidency will hurt Japan if anti-free trade rhetoric became a reality.

But since the election result, the yen has fallen against the dollar. That makes Japanese goods cheaper abroad, which is good news for the country's exporters. The latest official

data showed the world's third-largest economy expanded by 0.5% compared with the three months to June - better than the forecast of 0.2% growth. *BBC News*

South Korea

South Korea says ready to take steps to curb any market instability

South Korea's finance minister said on November 14 that the government stood ready to act to stabilize financial markets in the wake of rising volatility after Republican Donald Trump's shock win in the U.S. presidential election.

Emerging markets are experiencing big declines in their currencies as well as "capital outflows as their economies are swayed by policy decisions in advanced nations," Yoo Il-ho said at a Seoul forum attended by officials and financial experts.

After the meeting Yoo told reporters the won's current declines were "expected," and that the government is ready to conduct "smoothing operation in case of severe volatility."

The Trump presidency is seen ushering in policies supportive of U.S. economic growth and driving up inflation, which in turn is expected to lead to faster-than-expected Federal Reserve interest rate increases. That has already fueled a sharp rise in U.S. treasury yields and sparked fears of capital outflows from emerging market economies.

Yoo said South Korea's economy has strong fundamentals compared with other emerging economies, but added Seoul continues to monitor money markets and foreign exchange liquidity conditions in particular given the uncertain global backdrop. *Reuters*

Malaysia

Malaysia's economy grows 4.3% in third quarter, beats view

Malaysia's economic growth accelerated in the third quarter, ahead of market expectations, largely powered by private sector spending and net exports, official data on November 11 showed.

Gross domestic product of the third-largest Southeast Asian economy grew 4.3% between July and September when compared to the same quarter last year, the central bank said. That compares to a median 4.0% growth predicted by economists and the second quarter's 4.0% year-on-year gain. On a seasonally-adjusted basis, Malaysia's economy grew 1.5% from the second quarter.

"The Malaysian economy is expected to expand by 4.0%-4.5% in 2016," Bank Negara Malaysia said in a statement. "Overall, while domestic conditions remain resilient, uncertainties in the external environment may pose downside risks to Malaysia's growth prospects."

Bank Negara Malaysia's Governor Muhammad Ibrahim said domestic demand will remain key growth driver due to continued increase in wages and employment. "So, as long as that two components persist, domestic consumption will remain and support our economy going forward," he said at a news conference. *Asia Nikkei*

Philippines

Philippines holds rate to shield economy from growth risks

The Philippines left its benchmark interest rate at a record low to shield one of the world's fastest-growing economies from the market fallout following Donald Trump's victory in the U.S. election.

Bangko Sentral ng Pilipinas kept the overnight borrowing rate at 3 percent, it said in Manila on November 10, as predicted by all 16 economists surveyed by Bloomberg. Policy makers raised inflation forecasts for this year until 2018.

Central banks in the region face rising pressure to stabilize financial markets whipsawed by the U.S. election results with the peso trading near levels last seen during the global financial crisis. President Rodrigo Duterte's violent crackdown on drugs and foreign policy shift away from the U.S. is spooking investors even as economic growth is seen exceeding 6 percent until 2018.

"The main driver for monetary policy is firmly rooted on the inflation outlook," said Euben Paracuelles, an economist at Nomura Holdings Inc. in Singapore. "These external risks matter only to the extent that they impact the currency and influence the inflation path."
Bloomberg

Russia

Russian central bank anticipates remaining anti-Russia sanctions

Recovery of the Russian economy may be stretched over time as distinct from 2008-2009 crisis and the Central Bank expects minor growth of GDP in the next year, Chairperson of the Central Bank Elvira Nabiullina said on November 14.

"The recovery may be stretched over time at present because [economic growth] factors should be different, unlike those before the oil price collapse. We understand this pretty well and speak about changing the behavior model of the economy and its development model. Economic recovery signs surfaced by now and the Bank of Russia expects minor growth of GDP," Nabiullina said.

The bank anticipates remaining sanctions, slow growth of global economy, she added.

External and domestic environment for the Russian economy will be challenging in three coming years, she noted.

"We expect external environment will regrettably remain challenging for our economy and internal conditions will be tough. We do not expect any significant transformational change of the economy and buildup of its potential so far," Nabiullina said, adding that the bank may continue lowering key rate next year if base case scenario is implemented. *TASS Russian News Agency*

Singapore

MAS kicks off inaugural Fintech Fest

The Monetary Authority of Singapore (MAS) kicked off the inaugural week-long FinTech Festival in the city-state on November 14. The event, which was in partnership with The Association of Banks in Singapore, is aiming to connect the global FinTech community.

In a statement, MAS noted that there are close to 11,000 participants from more than 50 countries have pledged their participation for the series of events comprising conferences on FinTech, Tech Risk, and RegTech; the Global FinTech Hackcelerator; the FinTech Awards; visits to innovation labs; as well as community and networking events

MAS Chief FinTech officer Sopnedu Mohanty said this is an important initiative that allows to bring the global FinTech community together.

"The Festival will foster the thriving FinTech ecosystem in Singapore and beyond, as we strive towards establishing Singapore as a Smart Financial Centre and a world-class FinTech hub," he said. *Singapore Business Review*

Taiwan

Government taking measures to improve Taiwan's economy: Premier

Premier Lin Chuan said on Oct. 24 that the government has been taking measures to improve Taiwan's economy, such as by creating more investment opportunities, improving

the nation's competitiveness, increasing investment in infrastructure construction, strengthening cooperation between the industrial and academic sectors, and recruiting talent.

Speaking at a breakfast meeting organized by the Chinese National Association of Industry and Commerce, Taiwan, Lin said that the government has begun implementing economic-stimulus programs and has been adopting related measures to deal with difficulties facing the nation in its economic development since it took office on May 20.

The premier pointed out that Taiwan's exports have encountered increasing difficulties in the face of the slowdown in global economic growth and sometimes even in recession, adding that the trade formula of receiving orders in Taiwan and manufacturing them overseas used by most Taiwanese exporters has restrained wages in the nation.

Besides, the offshoring of manufacturing has reduced the number of job opportunities in the country, Lin added. *Focus Taiwan*

Thailand

Rate rise in doubt until 2018

Kasikorn Research Center (K-Research) expects the Bank of Thailand to hold its policy rate through next year before starting normalization in 2018. With subdued inflation, the bank's Monetary Policy Committee will have room to keep the benchmark rate on hold amid global economic headwinds, said Charl Kengchon, manager director of K-Research.

He said the dovish view is despite the US Federal Reserve's likely rate increase in December.

Given a scenario in which the US central bank raises borrowing costs by 25 basis points in December and another 50 basis points next year to 1.25%, the rate would still sit below the Bank of Thailand's current policy rate of 1.5%, allowing the Thai central bank to keep the rate unchanged next year.

Despite the low interest rate, domestic consumption is expected to grow 2.2% next year, a slower clip than the 2.5% projected for this year, mainly due to tumbling crop prices. *Bangkok Post*

Vietnam

SBV to change foreign currency lending rules

The State Bank of Vietnam (SBV) is drafting a new circular on foreign currency lending.

Under the draft circular, credit institutions and foreign bank branches will be allowed to continue giving loans in foreign currencies to some borrowers till the end of 2017 instead of early 2017.

The draft circular will replace the existing Circular 07/2016/TT-NHNN that was issued early last year.

According to Circular 07/2016/TT-NHNN, credit institutions and foreign bank branches were allowed to consider the provision of short-term foreign currency loans to meet short-term capital needs for production or business plans for the export of goods via Vietnamese border gates until January 1, 2017. The borrowers were required to have sufficient foreign currency revenue from exports to repay the loan.

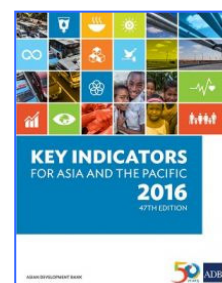
Previously, the regulation had been extended several times to support local exporters. With these loans, borrowers had a chance to borrow foreign currency at low interest rates. The lending interest rates for foreign currency loans are much lower than that of Vietnamese dong loans. *Vietnam News*

Publications

Key Indicators for Asia and the Pacific 2016

The Key Indicators 2016 report highlights the uneven though steady growth in the region, as well as the disparities between developing Asian and Pacific countries.

The Key Indicators presents key statistics on development issues concerning Asia and the Pacific and includes the latest available economic, financial, social, and environmental indicators for ADB's 48 regional members.



Part I. Sustainable Development Goals

The SDGs present a universal call to action to build on the progress achieved through the MDGs by addressing social, economic, and environmental aspects of sustainable development and ensuring that nobody will be left behind. 2015 is a milestone year for the SDGs as it serves as the baseline from which development performance of countries will be assessed.

Part II. Region at a Glance

The Regional Trends and Tables part is grouped into eight themes, each of which has a brief analysis of key trends of selected indicators highlighting important recent developments in Asia and the Pacific.

Part III. Global Value Chains

Advances made in information, communication, and transportation technology have enabled businesses to fragment and distribute production processes across the globe, giving rise to global value chains (GVCs). A very high proportion of international trade transpires within these GVCs rendering traditional measures inadequate in assessing the effects of these transactions on indicators such as employment, income, and GDP growth.

Contact for details: ADB Publishing

Website: www.adb.org/publications

World Development Report 2016: Digital Dividends

The 2016 World Development Report shows that while the digital revolution has forged ahead, its “analog complements”—the regulations that promote entry and competition, the skills that enable workers to access and then leverage the new economy, and the institutions that are accountable to citizens—have not kept pace. And when these analog complements to digital investments are absent, the development impact can be disappointing.



Contact for details: World Bank Publications

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

Doing Business 2017: Equal Opportunity for All

A record 137 economies around the world have adopted key reforms that make it easier to start and operate small and medium-sized businesses, says Doing Business 2017: Equal Opportunity for All, the World Bank Group's annual report on the ease of doing business.

The new report finds that developing countries carried out more than 75 percent of the 283 reforms in the past year, with Sub-Saharan Africa accounting for over one-quarter of all reforms.

In its global country rankings of business efficiency, Doing Business 2017 awarded its coveted top spot to New Zealand, Singapore ranks second, followed by Denmark; Hong Kong SAR, China; Republic of Korea; Norway; United Kingdom; United States; Sweden; and Former Yugoslav Republic of Macedonia.

The report cites research that demonstrates that better performance in Doing Business is, on average, associated with lower levels of income inequality, thereby reducing poverty and boosting shared prosperity.



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

7F-2, No. 760, Sec. 4, Bade Road, Taipei 10567, Taiwan; Tel: (886 2) 2760-1139; Fax: (886 2) 2760-7569

Email: aba@aba.org.tw; Website: www.aba.org.tw