

Message from the Secretary Treasurer

Greetings from ABA!

I am pleased to present the March 2018 issue of the ABA Newsletter to all our colleagues in the banking and finance sector.

This issue features a report on the upcoming ABA Planning Committee Meeting held in Maldives on March 8 which aims to discuss the preparations for the 35th ABA General Meeting and Conference as well as ABA's Work Program and planned activities in 2018. We would also like to share ABA's support of the project on "South/Southeast Asian Business Society Models," co-sponsorship of the ACRAA Workshop on Asian Bond Markets, and partnership with RCBC in hosting a Microfinance Workshop in June.

In addition, the March 2018 issue includes a featured article discussing the role of robo advisers in wealth management, latest news on ABA members and highlights on the banking industry in the Asia-Pacific region.

We hope that you will find the articles included in this Newsletter of great value, and look forward to your contribution to and comments on the future issues of the Newsletter.

Best Regards



Ernest Lin
Secretary-Treasurer

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General Meeting and Conference**19 Member Bankers Confirm Attendance in the
2018 ABA Planning Committee Meeting**

A total of 19 member bank representatives have confirmed their participation in the upcoming ABA Planning Committee meeting scheduled to take place on March 8, 2018 in Maldives. This year's meeting is hosted by Bank of Maldives and will be held in Kurumba Resort Hotel.

Led by ABA Chairman Mr. Daniel Wu, the confirmed attendees of this year's meeting include representatives from the host Bank of Maldives, the State Bank of India, Bank Pasargad, Erste Bank Group, En Bank, Bank for Foreign Trade of Vietnam (Vietcombank), CTBC Bank, and the ABA Secretariat.

As mandated by the ABA Board of Directors during its meeting last November 2017 in Mumbai, members of the Planning Committee will: (a) discuss preparations for the **35th ABA General Meeting and Conference** tentatively scheduled sometime in November 2018 in Maldives, including the final dates and venue of the Conference, theme and topics for the Conference, suggested format and program, possible line-up of speakers, and other related matters; and (b) review the progress of activities under the ABA Work Program for 2018-2019, including the policy issues to be addressed by the ABA Policy Advocacy Committee this year.

After the meeting, the Committee will conduct an ocular inspection of the meeting facilities of Kurumba Resort, the proposed Conference venue, to assess whether these are up to par of the requirements of the Conference.

The Committee members will then proceed to Male for the courtesy call on Central Bank Governor Mr. Ahmed Naseer and the Minister of Finance Hon. Ahmed Munawar at the premises of the Maldives Monetary Authority.

The courtesy calls will be followed by brief city tour of the Maldivian capital of Male, and end with a dinner to be hosted by ABA Chairman Mr. Daniel Wu.

News Updates**ABA Invited to Support Project on
“South/Southeast Asian Business Society Models”**

The Asian Bankers Association (ABA) has been invited by Mr. Chandula Abeywickrema, Chairman of CSR Lanka and ABA Special Advisor on Financial Inclusion to support a project with the Durham University UK on “South/Southeast Asian Business Society Models” which will focus on SMEs.

To be funded by the Economic and Social Research Council (ESRC) UK as part of Britain's Official Development Assistance, the 30-day project will cover Sri Lanka, Bangladesh, Nepal, Indonesia, Malaysia, Cambodia, and Myanmar. It will be conducted primarily by CSR Lanka, which is an initiative piloted and managed collectively by a group of private sector companies in Sri Lanka with the aim of providing strategic guidance and necessary resources to bridge the gap between ad hoc CSR projects and creating sustainable value. CSR Lanka was formed in May 2013 with the encouragement from United States Agency for International Development (USAID).

Mr. Abeywickrema requested the ABA to endorse the project and to facilitate – within its organizational mandate - the project in the countries covered. By endorsing the project, the ABA will be given the opportunity to participate in workshops/conferences and knowledge sharing events in the South/Southeast Asian region to be organized by the Durham University Research Office and use the research findings.

According to Mr. Abeywickrema, there will be no financial obligation on the part of the ABA, as the cost of project activities will be borne by the Durham Research Office and ESRC. Costs of the participation of a designated ABA representative in workshops/conferences will be covered by the project.

ABA Co-Sponsors ACRAA Workshop on Asian Bond Markets



The Association of Credit Rating Agencies in Asia (ACRAA) has invited the ABA to co-organize, along with the European Association of Credit Rating Agencies (EACRA), a Conference on "Showcasing Asian Bond Markets: Opportunities and Risks" scheduled to take place on April 23, 2018 in Bahrain.

Invited speakers will make presentations on the broad view of the Asian bond markets as well as on the opportunities and risks in the bond markets in selected Asian countries, including India, Malaysia, Taiwan, Japan, China, and Thailand. There will also be discussions on the Belt and Road Initiative as well as on the latest developments in the sukuk market.



In addition, ACRAA has also proposed to organize a joint ABA-ACRAA Training Workshop on "Bank Ratings: Methodology and Credit Rating Process and Practice" in Taipei on a mutually convenient date (tentatively June 28-29, 2018). The two-day program will essentially discuss the risk factors considered in the rating of banks, as well as how the latest Basel II and Basel III prescriptions enter into the assignment of credit ratings. ACRAA will prepare the program and provide the resource speakers and workshop facilitators. The ABA will do the organizational work and logistical arrangements. Members will be advised as soon as arrangements are finalized.

Online Registration Opens for ADB's 51st Annual Meeting in Manila

Online registration is now open for the 51st Annual Meeting of the Board of Governors of the Asian Development Bank (ADB), to be held on 3-6 May 2018 at ADB headquarters in Manila, the Philippines.

This year's meeting will look at global and regional issues affecting development in Asia and the Pacific, while exploring how ADB and its development partners can work together toward an inclusive, resilient, and prosperous region by 2030.

A highlight among the 4 days of panels and other events is the Governors' Seminar on 4 May,



Manila
2018
51st ADB ANNUAL MEETING
3-6 MAY
ADB

which will discuss how new technologies and globalization will affect the prospects for job creation in developing Asia and their policy implications.

Strategy 2030, ADB's long-term strategic framework, is another key topic of the meeting, as the ADB Governors will discuss the draft strategy at the Governors' Plenary. Strategy 2030 is expected to be finalized before the end of this year.

A seminar will be held to discuss how the growing gender gaps in Asia and the Pacific can be addressed through supporting women's entrepreneurship and economic empowerment. Another seminar will focus on tapping technology to maximize longevity dividends in the region. There will also be discussions on the private sector's participation in meeting Asia's huge infrastructure needs, estimated at \$1.7 trillion per year until 2030.

Various other seminars will be held featuring current topics of interest to ADB stakeholders, such as new technologies in finance, investing in community-led solutions for climate and disaster resilience, promoting inclusive growth through inter-subregional cooperation, and the future of energy systems, among others.

In addition to official ADB sessions and seminars, the Philippines as the host country will organize a range of events where representatives of the public and private sectors and civil society will exchange ideas about the country's economic direction and its business, trade, and investment prospects.

Over 3,000 participants are expected to attend the meeting, including finance ministers, central bank governors and other senior government officials, private sector, representatives of civil society organizations and international organizations, youth, academia, and members of the media.

Invited participants, including the media, should register online. Other persons interested to attend the meeting need to be accredited.

Accredited media will have access to all public sessions, including seminars and key business sessions.

Follow the ADB Annual Meeting news on Twitter using the hashtag #ADBManila and on Facebook. Delegates may find the latest updates on the Annual Meeting website: <https://www.adb.org/annual-meeting/2018/main>.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members—48 from the region.

ADB News Release

4 ABA Members win Innovation Awards

Four member banks of the Asian Bankers Association (ABA) were among the 16 winners of this year’s annual Financial Insights Innovation Awards presented by the IDC Financial Insights at the Asian Financial Services Congress 2018 held on March 1-2, 2018 in Singapore. This year’s recipients were cited for setting technological and business precedents to drive new, successful practices within their peer ecosystems.



The four ABA-member awardees were CTBC Bank (US\$117 billion in assets), which won the *Best Bank in Asia Award*, Cathay United Bank, one of the largest banks in Taiwan (US\$78 billion in assets), which won the *Asia’s Smarter Bank Excellence in Big Data & Analytics Award*; and Malaysian powerhouse Maybank (US\$164 billion in assets) which received *Asia’s Leader in Open Banking Award* and United Overseas Bank (UOB, US\$235.4 billion in assets), which won the *Asia’s Leader in Business Automation & Excellence in Banking RPA Award*.

According to IDC Financial Insights, every year financial institutions across Asia/Pacific were invited to nominate their flagship initiatives which were undertaken within the past 18 months and this year over 130 highly-qualified submissions competed for these well recognized industry awards.

CTBC Bank, Cathay United Bank, Maybank, and UOB have distinguished themselves as having not only effective solutions that meet the challenges of today’s dynamic market conditions, but also in establishing altogether-new standards in the use of IT.



The ABA sends its congratulations to these four outstanding Asian financial institutions – as well as the other awardees - and encourage them to continue their generous sharing of banking expertise, IT implementation techniques, best practices and procedures, and many other bank related programs.

IDC Financial Insights assists financial service businesses and IT leaders, as well as the suppliers who serve them, in making more effective technology decisions by providing accurate, timely, and insightful fact-based research and consulting services.

Education and Training

1st ABA-Oliver Wyman Webinar Well Received



The ABA invited Chief Risk Officers (CROs) and managers of member and non-member banks to participate in a webinar on *“Implications for organization, skills and role of the Chief Risk Officers given technological developments”* which the ABA conducted in cooperation with **Oliver Wyman** on February 27, 2018.

The 60-minute webinar (including the question-and-answer session) – the first ever conducted by ABA - offered a highly-strategic overview of the skills required for C-Suite Risk experts to thrive in today’s complex and volatile world, as well as keenly focusing on the implications for organizations given the plethora of technological developments impacting business globally.

The webinar speakers were **Chu Cheng**, a Partner at Oliver Wyman, Singapore, and **Shikha Johri**, a Principal at Oliver Wyman, Singapore; both with extensive experience on the subject. Registered participants – which totaled 94 from 45 banks from 17 countries - received copies of the speakers' presentations and took a take-home test after the webinar’s conclusion. Participants who emailed back their answers to the take-home test received an ABA-issued Certificate of Participation.

Another webinar focusing on the topics “Overview of Advanced Analytics and Data in Risk Applications” and “Advanced Analysis and Data in Credit Applications is scheduled to take place on March 20, 2018.

RCBC to Host Microfinance Workshop in June

The Rizal Commercial Banking Corporation (RCBC) has agreed to host a Microfinance workshop on June 4-5, 2018 in Manila – the third one after similar workshops were held in January 2013 and in June 2015, both also in Manila.



The primary objective of the two-day workshop is to provide ABA member banks, particularly those who are interested to engage in microfinance as a business initiative, the opportunity to learn from the experience, best practices, and expertise of RCBC and its microfinance arm Rizal Microbank. Members will be notified as soon as the workshop dates and venue are finalized.



The workshop is jointly conducted by the ABA with RCBC as part of its Short-Term Visiting Program, which aims to provide member banks – especially those from developing countries - the opportunity to study and undergo training on specific aspects of the operations and facilities of the more advanced host banks. There

is no participation fee for attending the short-term visiting program. However, participants shall cover their airfare and hotel accommodation.



ABA and Oliver Wyman to Jointly Conduct a Second Webinar on March 20



The Asian Bankers Association (ABA) is inviting credit analysts and managers to participate in the webinar on “Overview of advanced analytics and data in risk applications + Advanced analysis and data in credit applications” which it is holding – in cooperation with Oliver Wyman - on March 20, 2018 (4:00pm Singapore time.)

Featuring experts from the Singapore office of Oliver Wyman, the webinar – which is offered free of charge - promises to be as successful and professional as the recently concluded webinar for Credit Risk Officers held on February 27, 2018, in which 66 participants from 14

Asian countries and over 40 financial institutions joined.

Syllabus

Advanced analytics, non-traditional data, natural language processing, together with process digitization, present compelling opportunities for risk management. This includes raising productivity, greater insights produced from new technology, and potentially achieving a competitive advantage in a digital world. Although cashing in on a technology dividend in this way presents a compelling prize, it will require wholesale change in current practices. Senior leadership focus and support is critical as multiple functions will need to learn new skills and change their habits.

In the 90-minute session, participants will be able to delve deeper into the world of advanced analytics and gain an overview of applications of advanced analytics in risk management, illustrated with practical examples. Specifically, they will be able to draw insights from the advanced analysis of data in credit applications.

Instructors

The presenters will include Mikko Lehtonen, Engagement Manager, Oliver Wyman and Gaurav Kwatra, Principal, Oliver Wyman.

Interested parties are requested to contact the ABA Secretariat at aba@aba.org.tw

Special Feature**The Rise of Robo Advisers in Wealth Management**

By Ned Phillips, Founder and Chief Executive Officer of Bambu



An online platform provides financial recommendations to an elderly investor in Shanghai. Asia is moving towards new data-driven investment approaches over the next decade. / Peter Parks/AFP/Getty Images

Asia is on the verge of a significant disruption in financial management. Rising income levels coupled with the prevalence of smartphones are enabling robo advisers to offer everything from automated saving products to more complex investment solutions.

As the name describes, a robo adviser platform provides financial recommendations for users based on their financial profile, usually without human input. Upon the user's response to various questions, the machine-learning algorithm suggests potential investment goals to the users, accompanied by suitable investment strategies.

The primary users of robo advisers are the digitally savvy millennials. Living in a digitized world, those of the younger generation are more likely to move toward such innovative solutions, compared to individuals in their 40s or 50s, due to their familiarity and trust in these technologies. However, research has shown that the older generation is also adopting robo advisers to manage their portfolios in increasing numbers. As the demand for robo advisers rises, financial institutions are starting to change their views and integrate these technologies within their systems.

A Different Focus

The first robo adviser companies emerged ten years ago, when Betterment, Nutmeg, FutureAdvisor and Wealthfront began using model portfolio theory to offer automated, low-cost, seamless user experiences. This innovation is where the real battleground began in the West, with the aim of improving services and reducing fees.

In Asia, the focus is slightly different—it is on people who have received no financial advice due to their minimal investment size, yet own a smartphone. The change is being led by the tech,

telco and consumer brands that have large amounts of data and a trusted e-wallet relationship with their customers. These companies can tailor personalized experiences and portfolios that are data-led rather than customer-led. Financial advice has always relied on the customer knowing the most suitable product based on their financial behavior; however, having a record of a customer's spending and saving habits and their risk profile enables a company to auto-suggest strategic savings and investment plans.

Robo platforms can offer investment solutions directly to clients in a matter of months, with a much lower capital expenditure.

The leading example of this is Yu'e Bao, managed by Ant Financial money market, which is part of Alibaba's Alipay ecosystem. It pioneered the robo saver model across Asia and saw the platform grow to over \$100 billion. The next step is to turn users—or savers—into investors. The process may be long, but Alibaba has enormous capability. I foresee a major growth in asset under management funds becoming investment funds, driven by these savers becoming investors in the coming decade.

Adding Value to Services

Robo advisers can also offer a variety of different benefits for business owners and customers.

Relationship managers' productivity. On a typical day, administration work can take up to five hours of a relationship manager's time. This translates to less time spent on client relationship building. Through integrating a robo adviser tool, human advisers can automate a lot of the manual administration and research steps and focus more on client-specific value-added work. We shouldn't see this technology as a replacement but instead as an augmentation to an adviser's productivity.

Direct-to-consumer. Fully automated self-service platforms can create new business opportunities in markets or customer segments. Instead of years of preparation for new market entry, robo platforms can offer investment solutions directly to clients in a matter of months, with a much lower capital expenditure than a traditional setup.

Customer experience. Being digitally focused requires full attention toward the overall user experience. Providing a seamless journey adds to the process of giving a comprehensive experience to the customers. Robo advisers can help deepen understanding of the requirements of the users.

Looking to the Future

Most financial firms are still targeting affluent clients in developed countries using traditional means such as face-to-face meetings initiated by sending letters and emails or by attending conferences. Customers are used to being sold to, rather than making informed buying decisions. On the other hand, the customers of tomorrow live their lives online. They are glued to their smartphones and engage through their digital personas. They rely on the Internet, and they gather

recommendations from family and friends. They are buyers who want to be technologically savvy.

Asia is moving toward new data-led investment and saver experiences over the next decade. The region's unprecedented income growth coupled with ubiquitous digital connectivity will lead to substantial new assets under management that financial firms and tech firms should take full advantage of.



Ned Phillips

Founder and Chief Executive Officer of Bambu

*Ned Phillips has been based in Asia for the past 25 years, starting his journey in fintech in 1999 with E*TRADE as one of the very first online brokers before becoming managing director in 2007. Mr. Phillips saw an opportunity in the B2B space to build a solution for various sectors that led to the birth of Bambu. Since 2016, Bambu has launched Singapore's first Robo Advisor, won Best Early Stage Startup at FinTech Finals 2017, and been a finalist in the SuperCharger 2.0 Accelerator program and Jumpstarter 2017.*

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Member Personalities

Mr. Ganzorig Ulziibayar Appointed as President of MBA

Since February 13, 2018, Mr. Ganzorig Ulziibayar, the CEO of Golomt Bank, has been appointed as the President of The Mongolian Bankers Association (MBA). The appointment was confirmed during the annual meeting of the MBA when the presidential election was also held.



Following the MBA Charter, Mr. Orkhon Onon, the CEO of the Trade and Development Bank, served as the MBA President from 2015 to 2017 and his term of office had ended in December 2017. Therefore, the election was held during the annual meeting and Mr. Ganzorig Ulziibayar, the CEO of Golomt bank, was elected as the MBA President with the majority of votes. Mr. Ganzorig has been working as the CEO of Golomt bank since 2016 and he has extensive experience of more than 16 years in the Mongolian banking and finance sector.

Moreover, the MBA has three vice presidents including Mr. D.Bayarsaikhan, General Director of State Bank, Mr. O.Banzragch, First Deputy CEO of Ulaanbaatar City Bank, and Mr. Torsten Kleine Buening, Chief Risk Officer of XacBank. Previously, Mr. D.Tumurkhuu, CEO of Arig Bank and Mr. N.Tserendavaa, Deputy CEO of Golomt Bank were working as the vice presidents of the MBA.

Mongolian Bankers Association News Release

E. Sun names technological officer

E. Sun Financial Holding Co. on February 6 appointed a chief technology officer (CTO) to lead its technological development efforts, making it the first among its peers to do so.

The company appointed Chen Sheng-wei, a researcher at Academia Sinica’s Institute of Information Science specializing in artificial intelligence (AI), big data analytics and deep learning, as chief technology officer and technology adviser.



Chen would help consolidate and lead the firm’s resources and ongoing projects involving more than 1,000 staff developers, E. Sun Financial said.

Chen said that while he has observed a deep disconnect between academia and industry in his past collaborative efforts, he is optimistic about taking on the new post at the bank-focused company.

Taipei Times

Photo credit: Economic Daily News

Among Member Banks

- ✚ **E-wallet App CHHARO goes live for cashless transactions -** Bank of Bhutan (BoB) launched CHHARO, an e-wallet application (App) to make online payments for goods and services in Thimphu on February 9.



Chief executive officer of BoB, Pema Nadik said that with technology there was a major shift in communication. For instance, he said, with WeChat App, those who cannot type text can communicate through record functions to send and receive messages.

“Technology has become all-pervasive and affected our lives. The way we travel and get directions. Everything is moving towards a cashless economy.”

CHHARO is an e-wallet App that is a kind of pre-paid account where a user can store his or her money for future online transactions such as making payment for utility bills and online shopping.

BoB officials said that to use the App, the user does not need to have a bank account. However, the user needs to go to a BoB agent or a counter to load (fill) money in the App. *Kuensel*

- ✚ **SBI launches global customer service centre for NRIs in Kochi -** State Bank of India on February 16 launched its Global NRI Centre (GNC) in Kochi, a one-stop customer service point for all NRI banking-related activities.



To further enhance the service experience for NRIs, the bank also launched other services such as wealth management, SBI Intelligent Assist, free post-box, and remittance facility for US-based customers.

Asked why Kerala has been chosen for the centre, Rajnish Kumar, Chairman, SBI, said it is the State that receives maximum remittances. There has been a consistent growth in NRI deposits of the bank and out of the total deposits, 8 per cent comes from NRI accounts.

“We have witnessed consistent growth of our NRI banking portfolio. Our endeavour is to offer all our products and services on a digital platform so that NRI customers experience the ease of banking with us from wherever they are in the world and that’s why we have centralised all our services and offer them under the Global NRI centre, besides offering them specialised services,” he said. *The Hindu Business Line*

- ✚ **Sumitomo Mitsui to Lease New European Headquarters in London -** Sumitomo Mitsui Financial Group Inc.’s European banking unit agreed to lease a new European headquarters from British Land Co. and GIC Pte at London’s Broadgate complex.



Japan’s second-largest bank by market value will rent 161,000 square feet (15,000 square

meters) at 100 Liverpool Street, British Land said in a statement on February 13. The company will occupy the first three floors of the building on a 20-year lease.

SMBC is the latest bank to confound expectations that Britain’s decision to leave the European Union would dramatically damp demand for London offices. Wells Fargo & Co. and Deutsche Bank AG are among those that have secured new premises in the City of London financial district since the Brexit vote.

SMBC’s decision is a “strong endorsement of London as a global city,” Tim Roberts, British Land’s head of offices, said in the statement. The bank is currently based in two City offices. *Bloomberg*

✚ Japan's Mizuho sees pickup in U.S. M&A lending after tax cut - Japan’s Mizuho Financial Group Inc. sees a pickup in overseas lending after a slowdown in 2017 in the United States, where a recently enacted corporate tax cut is widely expected to spur mergers and acquisitions (M&As).



Major Japanese banks are placing increased emphasis on lending abroad, particularly in busy M&A markets such as the U.S., as they seek more means of growth while their domestic lending businesses suffer persistently low interest rates.

“We expect companies that become cash-rich from the tax cut to accelerate acquisitions,” said Akira Sugano, head of overseas business at Japan’s third-biggest bank by market value. “There are actually companies planning such moves among our clients.”

Mizuho is already working with U.S. clients to provide finance for billion-dollar deals, Sugano said.

Mizuho has made acquisition finance for blue-chip firms one of the core businesses of its overseas operations. It plans to provide bridge loans - or short-term funds - to firms needing to arrange large finance quickly and secretly, after which it aims to win business when clients switch to more permanent funding such as through sales of bonds and shares. *Reuters*

✚ KEB Hana Bank named best trade finance bank in Korea by Global Finance - South Korea’s KEB Hana Bank was selected as the Korea’s Best Trade Finance Provider for the 17th consecutive year by Global Finance, a U.S. magazine on global economy and finance, the bank announced on January 18.



Global Finance said that KEB Hana has kept an unassailable lead in Korea in foreign exchange and trade finance sector by dealing with more than 2,000 banks from 136 countries, and added that the bank received high scores in trade finance transaction volume, market leadership, product and service quality and technology in trade finance.

KEB Hana in 2017 became the first bank to launch an open account transaction (OAT)-based export checking service that allows exporters to check shipping status online without having to submit paper documents to the bank. It has been working hard to support exporters by conducting foreign exchange consulting service for small- and mid-sized firms and

lectures on export and offering lectures on export and import for customers. *Pulse by Maeil Business News Korea*

- ✚ **Maybank incorporates new Singapore subsidiary** - Maybank Group had incorporated a new wholly-owned unit in Singapore, via its wholly-owned subsidiary, Maybank International Holdings Sdn Bhd.



In a filing to Bursa Malaysia, the group explained that the new entity, Maybank Singapore Ltd (Incorporation), was set up after receiving Bank Negara Malaysia's approval on 18th December 2017, as well as approval from Singapore authorities.

Maybank did not disclose the reasoning of the creation of this entity but stressed that its creation will not have any material impact on its earnings, net assets and gearing for the financial year ending 31st December 2018. *New Straits Times*

- ✚ **BML Introduces Online Applications for Range of Services** - Bank of Maldives has introduced online applications for a number of key services as part of its 'Aharenge Bank' campaign.



Using their Internet Banking credentials, existing customers can now apply to open additional accounts as well as to obtain credit cards, debit cards and personal loans. A further feature is that personal information such as address, income and identification details can also be updated online via a new Personal Information Form. Details can be found at www.bankofmaldives.com.mv.

BML Deputy CEO, Mohamed Shareef commented "We believe these new online services will bring great benefits and convenience to our customers. Instead of having to visit a branch to fill out various forms, customers can now apply for a range of popular products and services from the convenience of their own home." *Bank of Maldives News Release*

- ✚ **Bank Muscat lauded for innovative CSR initiatives** - Bank Muscat, the flagship financial services provider in the sultanate, was honoured in recognition of its innovative corporate social responsibility initiatives and contributions to



sustainable development at the CSR awards ceremony hosted by the Oman Chamber of Commerce and Industry under the auspices of Dr Yahya bin Mahfoudh al Mantheri, chairman of Majlis Addawla. Fatma al Maskiry, AGM, SME and Trade Business, received the appreciation memento from the guest of honour on the occasion.

Maskiry said, "Bank Muscat is proud to receive the OCCI honour in recognition of its unique CSR initiatives. As a forward looking financial institution, Bank Muscat is at the forefront in contributing to the society and thereby setting a fine example for the corporate sector to develop social responsibility as a corporate culture.

"As the pioneer of CSR activities in the banking sector in Oman, the bank has

implemented several initiatives benefiting various segments of society and remains committed to sustainable development.” *Muscat Daily*

✚ Doha Bank holds soft launch of its branch in Chennai - Doha

Bank officials recently held the soft launching of the bank’s branch in Chennai after receiving Reserve Bank of India (RBI) approval to relocate one of its branches in Mumbai.



This is Doha Bank’s third city in India after its successful establishment of branches in Mumbai and Kochi, the bank said in a statement.

Doha Bank, through its three branches, provides corporate banking, retail banking, SME, treasury, trade finance, and foreign exchange services. Their corporate and SME product offerings include term loans, working capital (INR as well as in permitted foreign currencies), trade finance products like LCs, bank guarantees (bid bonds, advance payment, and performance guarantees), buyers’ and suppliers credit, as well as treasury products/hedging solutions like spot/forward contracts/options/interest and currency swaps. *Gulf Times*

✚ DBS and NTU team up to train Singapore’s next generation of wealth management talent - To groom job-ready wealth

management talent and cater to growing industry demand for such expertise in Singapore, DBS Bank and Nanyang Technological University, Singapore (NTU Singapore) announced on February 13 a partnership to build a sustainable talent pool of wealth management associates.



DBS and NTU will launch a new Applied Wealth Management track for undergraduates, and it will be introduced under the current Banking and Finance specialisation of the Bachelor of Business degree programme by NTU’s Nanyang Business School.

The new track, the first of its kind at undergraduate level in Singapore, aims to equip graduates with applied and academic competencies, including regulatory certifications and digital skill sets to become job-ready wealth management professionals ready to serve the emerging affluent. *DBS News Release*

✚ UOB's discretionary portfolio management AUM tripled in

2017 - UNITED Overseas Bank Limited (UOB) announced on February 21 its discretionary portfolio management (DPM) assets under management (AUM) for its private banking clients in 2017 has tripled, bringing the bank's total wealth management AUM to S\$104 billion.



Average returns of UOB's DPM portfolio have ranged from 10 to more than 30 per cent since its launch in 2016, UOB said.

UOB says its DPM solutions entail advisers initiating and executing trades based on agreed criteria, compared to traditional advisory mandates where the client approves each trade before it is executed, and portfolio managers can adjust the asset allocation of the

mandates according to changing market conditions. *The Business Times*

Asiamoney names HNB the Best Cash Management Bank in Sri Lanka - HNB, Sri Lanka's leading private sector bank, has been recognised by Asiamoney as the "Best Cash Management Bank in Sri Lanka". This



prestigious award to HNB is a first for a local bank in Sri Lanka in cash management.

A part of the Euromoney Group, Asiamoney is considered among the most influential financial magazines and a leading authority on finance, banking, investment, and treasury in the Asia-Pacific region and is read and trusted by the region's leading companies, bankers, brokers, investors, regulators and policy makers.

Asiamoney's "Best Cash Management Bank in Sri Lanka" award is based on an independent survey whereby corporates are given the opportunity to rate the quality of service provided by their local and multinational relationship banks across 20 core products and services.

HNB is the first local bank to offer a Web-based, fully integrated Payments and Cash Management (PCM) platform – HNB Online. *Hatton National Bank News Release*

CTBC Bank To Be the First Bank Obtaining Certification of SWIFT GPI in Taiwan - To provide better service of cross-border payment, CTBC Bank joined the Global Payment



Innovation (GPI) program in April 2016, which is initiated by the Society for Worldwide Interbank Financial Telecommunication (SWIFT). Ahead of all Taiwan banks, CTBC Bank officially obtained the certification of SWIFT GPI on December 25th, 2017. By means of SWIFT GPI service, CTBC's customers can enjoy faster cross-border payment and integrated payment information delivering.

Currently, the cross-border transactions are undertaken through the platform provided by SWIFT and require collaborative works among many correspondent banks and clearing institutions. When customers inquire about the payment status, banks employees will have to confirm with all financial institutions passing through the transaction to acquire related information, which is time consuming and inconvenient. *CTBC International Newsletter*

Forum looks at future of cryptocurrency regulation

- The Taiwan Academy of Banking and Finance explored the future of cryptocurrency regulation at a



forum in Taipei on February 2, as the asset class continues to make headlines amid concerns.

In light of the cyberheist at Coincheck Inc in January 2018, an online cryptocurrency exchange based in Japan, the blueprint for a regulatory system for the virtual asset must ensure information security and protection for consumers, Financial Supervisory Commission Vice Chairman Cheng Cheng-mont said.

While the government aims to provide an environment that fosters innovation, regulators must also consider issues such as crime and money laundering prevention and revenue

collection, he said.

“The commission requires the same level of transparency and control for cryptocurrencies as the rest of the financial sector,” Cheng said. *Taipei Times*

- ✚ **Vietinbank named second-largest bank by profit** - The Viet Nam Bank for Industry and Trade (VietinBank) earned a total profit of VND9.2 trillion (US\$404 million) in 2017, equivalent to 105 per cent of its annual target.



The total assets of the bank notched a year-on-year surge of 15.3 per cent to reach more than VND1.1 trillion, making it one of Viet Nam’s three largest banks in terms of assets and the country’s second-largest bank in terms of profit, after the Joint Stock Commercial Bank for Foreign Trade of Viet Nam (Vietcombank).

Return on equity (ROE) and return on assets (ROA) of the bank also improved, touching roughly 12 per cent and 1 per cent, respectively.

Its outstanding loans reached VND839 trillion, up 18 per cent year on year. Meanwhile, total capital was estimated at over VND1 trillion, a year-on-year increase of 16 per cent, fulfilling 102 per cent of the year’s target. *VIETNAMNET Bridge*

Banking and Finance Newsbriefs

Australia

Bank transfers in less than a minute as real-time payments rolled out

Three of the big four banks will start rolling out a near real-time payment system from February 13, as the biggest overhaul of payments infrastructure in two decades is launched to the public.

Commonwealth Bank, Westpac and National Australia Bank said that from February 13, they would start offering customers the ability to make money transfers that will settle within less than a minute, compared with today, where it can take up to three days for funds to arrive.

The new system also allows customers to transfer money to an external account without entering a BSB or account number.

ANZ Bank, however, is not launching the service to its customers yet, saying it is continuing with "rigorous testing" of the new system, to ensure customers got the "best possible and safest experience." ANZ would announce how it will rollout the fast payment system to its customers in the coming weeks, a spokesman said. *The Sydney Morning Herald*

Hong Kong

8 banks join JETCO to provide merchant payment service

JETCO (Joint Electronic Teller Services Limited) has launched its JETCO Pay Merchant Payment QR code and online payment service in collaboration with eight Hong Kong banks.

The new service will allow consumers to make in-store payments easily by scanning a QR code with their mobile devices, and complete in-app or online payments by simply inputting their mobile number. The daily maximum payment limit is HK\$5,000.

With services linked to bank accounts, customers will not need to top up, while merchants will reap the benefits of a no-cost, easy to set up payment service.

The eight participating banks are Bank of Communications (Hong Kong), Bank of East Asia, Chong Hing Bank, Dah Sing Bank, ICBC (Asia), OCBC Wing Hang Bank, Shanghai Commercial Bank and Wing Lung Bank. *Enterprise Innovation*

Indonesia

Indonesia to ratify ASEAN act to liberalize banking

The government and the House of Representatives have agreed to swiftly ratify a protocol to implement the Sixth Package of Commitments on Financial Services under the ASEAN Framework Agreement on Services (AFAS).

By ratifying the protocol, Indonesia will commit to liberalizing its banking market by allowing banks from other ASEAN countries to open branches.

On Mar 20, 2015, then-finance minister Bambang Brodjonegoro signed a commitment to ratify the, protocol along with the finance ministers of other ASEAN countries.

"House Commission XI [for financial affairs] has agreed [to deliberate] the AFAS act in a working committee on February 7," Commission XI chairman Melchias Marcus Mekeng said

during the meeting at the House in Jakarta on February 6. *The Jakarta Post*

Japan

Regional banks to raise fees for services as zero rates, dwindling population erode profits

An increasing number of regional banks plan to raise commissions for money-exchange, remittances and other services.

The increase reflects worries about worsening business conditions caused by prolonged rock-bottom interest rates and Japan's shrinking population.

Aomori Bank will raise remittance fees in February, followed by Ehime Bank in March and Akita Bank and Oita Bank in April.

At Aomori Bank, an over-the-counter funds transfer of less than ¥30,000 to another account at the same branch will cost ¥324, triple the current level.

In February, Fukui Bank's customers will have to pay a fee to use its money-changing machines, and clients at Yamagata Bank and Bank of the Ryukyus will be charged for making bulk deposits of coins.

"We've made efforts to reduce costs, but current fee levels are not in line with business expenses," an official at Bank of the Ryukyus said.

Among major banks, Sumitomo Mitsui Banking Corp. raised its fee for money-exchange services last May, followed by Mizuho Bank in January. Bank of Tokyo-Mitsubishi UFJ is scheduled to follow suit in April. *Japan Times*

Japan's biggest messaging app Line is planning to launch a cryptocurrency exchange

Japanese messaging service Line Corp is expanding its reach into financial technology, or fintech, with a new company that offers a cryptocurrency exchange, loans and insurance.

The Tokyo and U.S.-listed firm already offers a money transfer and payment service called Line Pay, but on January 31 announced it would launch a new division called the Line Financial Corporation to let users exchange digital currencies and use other financial services within the app.

It did not add specific details on what this would entail.

Line added that it intends to "promote research and development of technologies such as blockchain" with the creation of its new financial offering. It claimed that its payments unit had scored "major growth" in 2017, with a global annual transaction volume of more than 450 billion yen (\$4.1 billion) and 40 million registered users. *CNBC*

Korea

Financial regulator to grant more banking licenses

Korea's top financial regulator said on February 5 that the government will grant more banking licenses to reinvigorate the lending sector and relax regulations on other services.

Choi Jong-ku, chairman of the Financial Services Commission (FSC), made the remarks at a meeting with financial executives as the FSC plans to unveil a package of measures on regulatory reforms.

Two internet-only banks were launched last year (2017), marking the first time in about two decades that the government awarded banking licenses.'

New banks will be required to focus on certain customers such as corporate clients, Choi told the meeting. The FSC will also lower entry barriers for new players to make inroads into the insurance industry, Choi said. *Korea JoongAng Daily*

Malaysia

Malaysia deviates from the normal central banking practice

Malaysia has deviated from the normal central banking practice, having opted for “inflation anchoring” instead of “inflation targeting” to keep inflation low and stable.

Inflation targeting was considered the international best practice in monetary policy framework for years before the “Great Financial Crisis” of 2007/2008.

As it turns out, Bank Negara Malaysia governor Tan Sri Muhammad Ibrahim said, the country’s choice of not conforming to the norm was not in vain. Inflation targeting is now under scrutiny as its merits are debated widely.

“There are many rules governing policymaking that policymakers tend to follow rigidly, despite its waning effectiveness. This increases the risks of being blindsided and promotes a culture that is resistant to change.

“An example of this in central banking is the ‘inflation targeting framework’ which was considered the international best practice in monetary policy framework for many years before the Great Financial Crisis,” Muhammad said at 40th Harvard Business School Alumni Club Malaysia anniversary dinner on February 9. *New Straits Times*

Mongolia

Mongolia joins “Inclusive Framework on BEPS” to counter multinational firm tax avoidance

Mongolia has joined the “Inclusive Framework on BEPS,” bringing the number of participating countries to 111, the OECD announced on January 3, 2018.

Mongolia’s decision to join follows that of the Bahamas and Zambia, which both joined in late December 2017.

The Inclusive Framework on BEPS is a group of countries that are working together to prevent multinational group tax avoidance and to ease the resolution of cross-border tax disputes.

By joining the group, Mongolia has pledged to adopt minimum international taxation standards developed in 2015 by OECD and G20 nations, with input by other nations, in response to the base erosion profit shifting (BEPS) plan.

The commitment means that Mongolia will adopt provisions to prevent tax treaty shopping, implement country-by-country reporting on multinationals and exchange country-by-country reports with other country tax administrations. Mongolia will also limit the benefits of any intellectual property or other tax regimes deemed to be preferential tax regimes and will fully implement the mutual agreement procedure in its tax treaties with other countries to aid resolution of tax disputes. Mongolia must also pay a fee to participate. *MNE Tax*

Philippines

BSP vows to cut bank deposit reserves

The Bangko Sentral ng Pilipinas on February 1 reaffirmed its commitment to sharply reduce the cash buffer that financial institutions are required to keep immobile in their vaults amid rising clamor from bankers for regulators to release more liquidity to feed the growing economy.

In a message to reporters on February 1, BSP Gov. Nestor Espenilla Jr. said that the so-called “reserve requirement ratio” had become an outmoded way of managing the amount of cash circulating in the financial system and, as such, needs to be reformed.

“The reserve requirement ratio is one of the traditional monetary policy instruments available to BSP. We have heavily relied on it for a long time to run effective monetary policy in a situation of underdeveloped banking and financial markets and limited central bank open market operation tools,” he said. “This is no longer the case for the Philippines.” *Philippine Daily Inquirer*

Singapore

Singapore hits record US\$229m of fintech funding in 2017: KPMG

Buoyed by US\$122.75 million of funding in the fourth quarter, Singapore achieved a record high of US\$229.1 million of fintech funding in 2017, according to KPMG's Pulse of Fintech report.

The high in fintech funding was mainly attributed to two of Asia's 10 biggest deals - with a combined value of over US\$130 million - taking place in Singapore in the fourth quarter.

The deals are mobile commerce startup GoSwift's US\$100 million purchase by Paynear Solutions - which boosted deal volume to an unmatched high over the prior three years, and global asset management fintech player Smartkarma's US\$13.5 million series B round.

The Republic continued to showcase its value as an Asia-based fintech hub, particularly in areas such as blockchain, artificial intelligence and machine learning, KPMG said.

The Business Times

Taiwan

New Taiwan central bank governor named

Yang Chin-long, the current deputy governor of Taiwan's central bank, has been named by President Tsai-Ing wen as the new governor of the bank, Executive Yuan spokesman Hsu Kuo-yung announced on February 1.

Yang will succeed the well-respected incumbent head, Perng Fai-nan, who will retire in late February 2018, Hsu said.

Hsu said that as a central bank veteran who has worked for the bank since 1989 and has served as the deputy governor of the bank since March 2008, Yang is well-suited to take the position.

Central News Agency

Turkey

Turkish inflation pulls back

Turkish inflation is showing signs of coming back into line, with the year-on-year pace easing to 10.35 per cent in January, the country's statistics office said on February 5, 2018, down from 11.92 per cent in December 2017.

The result suggests that the broad decline in the dollar, which has boosted even troubled currencies such as the Turkish lira, is helping to keep price rises in check.

Prices for clothing and footwear fell by some 6 per cent on the month, while the biggest annual rise came from transportation, which rose 16 per cent.

At the end of January 2018, Turkey's central bank bumped up its inflation forecast for this year by almost a full percentage point, and pledged to keep policy tight "until the inflation outlook displays a significant improvement". *Financial Times*

Vietnam

Foreign reserves at record \$57b

State Bank of Việt Nam (SBV) continues to build up its foreign exchange reserves to cushion external shocks, raising the fund to a new record high of more than US\$57 billion till February 6.

According to SBV Governor Lê Minh Hung, SBV's net purchase of hard currencies this year (2018) has been worth more than \$4 billion.

SBV affirmed it would continuously try to increase the country's foreign reserves this year (2018), besides supporting efforts to stabilise the forex market.

Experts have so far been optimistic about the foreign exchange market in 2018, noting that the market would be stable, with the Vietnamese *đồng* devaluing slightly by some 0.5-1 percentage points to VNĐ22,710-VNĐ22,950.

According to the Bank for Investment and Development of Việt Nam's capital and monetary research division, the country's overall balance of payment can maintain a healthy surplus of some \$8-10 billion this year, which is important for the stability of the forex market.

Việt Nam News

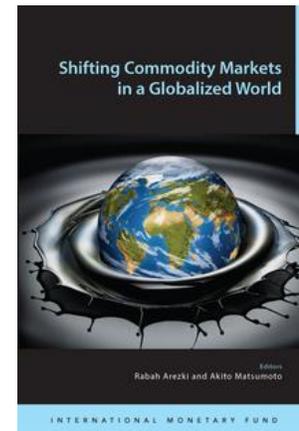
Publications

Shifting Commodity Markets in a Globalized World

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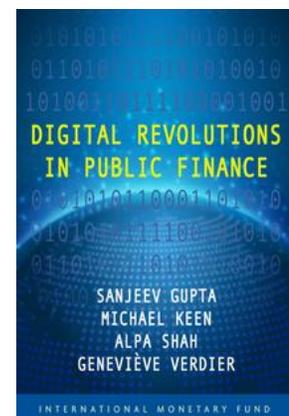


Digital Revolutions in Public Finance

Digitization promises to reshape fiscal policy by transforming how governments collect, process, share, and act on information. More and higher-quality information can improve not only policy design for tax and spending, but also systems for their management, including tax administration and compliance, delivery of public services, administration of social programs, public financial management, and more. Countries must chart their own paths to effectively balance the potential benefits against the risks and challenges, including institutional and capacity constraints, privacy concerns, and new avenues for fraud and evasion.

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