See you in Makati City, Philippines

for the

36th ABA General Meeting and Conference

November 14 -15, 2019

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General Meeting and Conference

PNB Organizes Host Bank Session at the 36th ABA General Meeting and Conference

Delegates to the 36th ABA General Meeting and Conference on November 14-15, 2019 in Makati City, Philippines can look forward to another interesting and highly informative gathering, as this year's program will once again include a Host Bank Session organized by the Philippine National Bank featuring invited experts who will share their perspectives on timely and relevant topics.

To be chaired by Dr. Mostafa Beheshti Rouy, Member of the Board of Directors, Bank Pasargad, and Member of the ABA Board of Directors, this year's Host Bank Session will include presentations by:

- Mr. Wick Veloso, President and CEO, PNB, will speak on "Digital Innovation: Challenges & Opportunities from the Perspective of a Philippine Bank". He will share an overview of the key trends in digital banking in the Philippines: the inroads made by the Philippine banking industry; top challenges that banks are facing; areas of opportunities for digital banking in the country; and some of the lessons learned in the digital journey.

- Mr. Michael Lor, Senior Advisor Asia Pacific, EFMA, will speak on "Global Trends in Retail Banking Innovations." His presentation will be a compilation of the latest trends in retail banking innovations and digitalization drawn from the half yearly best of EFMA collection of research reports and case studies. Among the topics to be covered would be: (a) Open Banking: (b) Artificial Intelligence (c) SME Banking: (d) Customer Contact Center: and (e) Digital-only Banks:

- Mr. John Berry, Special Adviser, EFMA, will speak on "Digital Distribution." He will share his views on changes in the retail financial services – new competition from both banks and non-banks, technology advancements, and changing customer behaviour – and how banks should respond especially in the distribution space. He will present case studies and innovative examples from across the world on how the challenge of digital distribution is being addressed.

- Dr. Jeremy Sosabowski, Co-Founder of AlgoDynamix, will make a presentation on Artificial Intelligence (AI) and machine learning as it is being applied to major parts of bank's operations for automation and/or other needs and in particular to capital markets/financial markets business (equities, fixed income, foreign exchange and commodities) that his organization apply its AI technology and date analytics to.

Members are encouraged to register for the 2019 Conference and take advantage of this opportunity not only to learn from the various special presentations, but also to meet and network with your peers from other countries while enjoying the warm hospitality that the Philippines and the Filipino people are known for.

To register on-line, please visit the Conference website at www.aba2019.com.ph. If you have further questions, please contact the ABA Secretariat at aba@aba.org.tw

General Meeting and Conference

Experience Philippines at the 36th ABA General Meeting and Conference 2019

This year's host bank, the Philippine National Bank (PNB), is inviting all ABA members to come and experience the Philippines at the 36th ABA General Meeting and Conference on November 14-15, 2019.

Delegates and their accompanying persons will be treated to complimentary tours by PNB to make their stay in the country truly memorable.

The tours on November 14 are open to all spouses and accompanying persons where they will be taken on a historical walk to learn the basics of the country's history and culture.

On Saturday, November 16, all delegates will get a chance to visit "Lakbay Museo" Museum and discover all the regions of the country, complete with exciting activities and treats.

These complimentary tours are inclusive of transportation, lunch and refreshments. Attached is the flyer for more details.

The ABA encourages you to register now at https://www.aba2019.com.ph/ and sign up for these fun tours!

ABA Secretariat Officers Meet with PNB Organizing Committee Members on Conference Preparations

Officers of the ABA Secretariat led by Secretary-Treasurer Mr. Ernest Lin (middle, right) and members of the ABA Conference Organizing Committee of the Philippine National Bank (PNB) led by Mr. Rommel Narvaez, Head of Marketing (3rd from left) met of October 15to discuss preparations for the 36th ABA General Meeting and Conference to be held on November 14-15, 2019 in Shangri-la Hotel in Makati City, Philippines. The breakfast meeting was held at the historic Manila Hotel, which was the venue of the 45th Philippine Business Conference & Expo organized by the Philippine Chamber of Commerce and Industry and attended by the ABA Secretariat officers.

Policy Advocacy

ABA Conducts Survey on Digital Transformation Preparedness of Member Banks

As part of the policy advocacy work of the ABA, the Secretariat recently conducted a survey aimed at determining the level of preparedness of member banks in achieving digital transformation. Responses are intended to serve as basis for identifying areas for best practices and learnings, and for recommending measures to encourage cooperation among member banks in promoting digital transformation.

Members were requested to forward the Survey Questionnaire to at least three among the following officers of their organization for individual completion: (a) Chief Operating Officer; (b) Chief Risk Officer; (c) Chief Information Officer; (d) Chief Digital Officer; (e) Chief Technology Officer; and (f) Head of Business (Retail/ Corporate/Investment etc.)

The results of the survey would be presented and discussed during the meeting of the ABA Policy Advocacy Committee on November 14, 2019 in conjunction with the 36th ABA General Meeting and Conference in Makati City, Philippines.

Training & Education

Maybank successfully hosts 2019 Short-Term Visiting Program

Maybank successfully conducted the two-day ABA Short-Term Visiting Program on Human Capital and Workplace Futurisation at the Maybank Academy in Bangi Selangor, in the outskirts of Kuala Lumpur, on October 1-2, 2019. The program, attended by 25 delegates from 15 banks originating from 8 Asian countries, featured 6 different banking subjects that mainly focused on human capital management in banking, talent nurturing, succession and preparations for future changes in banking operations.

Day One

The program started on October 1st with a networking breakfast where participants had the opportunity to introduce themselves and their bank, and briefly described their national economy. The informal presentations and conversations quickly broke the ice among participants and set a friendly stage for lively discussions that lasted throughout the two-day training.

The first session on "Welcome to Maybank"was presented by Nora A. Manaf, Group Chief Human Capital Officer. She officially kicked off the 2-day Training Program with an introduction about Maybank's leading position in the Malaysian market, its presence in the ASEAN region, and the values guiding Maybank towards success.

Ms. Nora A. Manaf, Group Chief Human Capital Officer

Training & Education

As its logo features, the Malay Tiger is also the acronym defining Maybank's values. They are T=teamwork, I= integrity, G = growth, E = excellence & efficiency, and R = relationship building. These values, according to Ms. Manaf clearly establish the mission of "Humanising financial services" for the benefit of all stakeholders: customers, employees, investors, and the environment.

Ms. Nora Manaf also discussed Maybank's opportunities of growth driven by the large 660 million ASEAN population, ASEAN intra-trade, deeper insurance penetration, Islamic banking and dynamic young population. In fact, Maybank has been outperforming competitors while creating a humanizing and engaging workplace guided by cooperation at every level.

To conclude, Ms. Manaf discussed that despite drastic changes happening in the banking sector, Maybank is still committed to its workforce and does not entertain laying-off employees. Instead, Maybank has redoubled its efforts in retraining its employees into a flexible workforce capable of adapting to the emerging future of banking.

The second session on "Agility @ work: building highly adaptable and efficient teams" presented by Subash Palaniappan, Executive Vice President, Group Human Capital discussed the meaning of agility at work.

Mr. Subash Palaniappan, Executive Vice President, Group Human Capital

Mr. Subash explained that the traditional waterfall flow work procedure does not work anymore in a complex organization such as that of Maybank. Thus Maybank has been retraining the workforce towards a new type of work organizations, driven by the "Why method." In this way, working teams could align their work with the customers' personality, to provide a more quantitative and qualitative relationship.

According to the new method, Maybank is seeking thoughtful performers, motivated people with ideas who can define the problem and set a timeline for its solution. This new approach requires that tasks are executed in time, and that teams know why they operate in certain ways across different silos.

The third session titled "Learning @ Maybank" was led by Mr. Suresh Letchamanan, Head of Edtech, Branding & Programme Management.

Mr. Letchamanan explained that organizations naturally tend to lean towards training more than towards hiring. Yet, a learning organization is a challenge that requires a top down approach. The need to inculcate learning among the staff has to be embedded into the organization's psyche.

In such way, Mr. Letchamanan said that Maybank tries to personalize learning procedures using technologies to facilitate access at every level of the organization, from entry level, middle managers, senior managers, to top managers. Moreover, their training also includes re-skilling and up-skilling.

Mr. Suresh Letchamanan, Head of Edtech, Branding & Programme Management

Day One of the program was concluded with a visit to one of Maybank's sustainability projects: an urban farm created inside Maybank's Bangi installations which featured crops, vegetables and produce.

Day 2

Day 2 of the workshop began with a presentation on "Workplace futurization – How do we keep ahead of game" led by Sophia Ang, from Group Human Capital.

Today, Maybank is considered the most sought employer in Malaysia by university graduates. Yet, the reality was different several years back. In 2010, the same survey

ranked Maybank number 17th. Fortunately, under the guidance of new top management, Maybank's positioning was rapidly turned around, making Maybank the country's top employer.

Ms. Ang, who participated in the turn-around, gave delegates an insider view of the interactions experienced and policies implemented to achieve such fast and lasting success. The transformation included visible and invisible changes, from logo, office design, teams' reorganizations to management changes.

Ms. Sophia Ang, Group Human Capital.

Many of their goals were achieved ahead of the 2020 deadline, such as Top ASEAN Community Bank, Preeminent ASEAN wholesale Bank Linking Asia, Leading ASEAN insurer, Global Leader in Islamic Finance, and Digital Bank of Choice.

The fifth presentation during the workshop was on "Introduction to Group Succession and Talent Development". It was presented by Ms. Navamalar Navaratnam, Head of Maybank Academy, Group Human Capital, who introduced the Talent System in Maybank.

Ms. Navamalar Navaratnam, Head of Maybank Academy, Group Human Capital

Since Maybank's future success rests on human capital development, Ms. Navamalar said that Maybank has determined 6 fundamental factors to build on success. They are (1) digital awareness, (2) data driven decision making, (3) human centered design, (4) agile, (5) future communication, and (6) risk & governance in the digital world.

These fundamental features that Maybank wants to inculcate among its workforce are just one component of a comprehensive plan to upgrade the whole workforce, implement a talent management strategy, talent classification, and talent transitioning towards leadership.

The sixth and final session on "FutureReady programme at Maybank" presented by En Mohamad Wan Fathi, Head Group Learning & Certification, Group Human Capital, set the stage for FutureReady Upskilling Programme, which is a program geared towards preparing its workforce to face the future of financial services.

Mr. En Mohamad Wan Fathi, Head Group Learning & Certification, Group Human Capital

The program, which is founded on two factors (1) FutureReady Knowledge & skills (2) FutureReady Mindset, brings tangible benefits to the workforce in the form of (1) Maybank certifications (2) External certifications, and (3) Top Development programmes.

The session convened Maybank speakers from Day 1 and opened the floor for questions and discussions among participants.

News Update

ABA Chairman joins panel discussion in Shanghai Conference on China's capital market

ABA Chairman Mr. Jonathan Alles

ABA Chairman Mr. Jonathan Alles was invited as one of the panelists in a recent "China Capital Market Global Conference" held on September 5, 2019 in Shanghai, China.

Jointly organized by the Association of Credit Rating Agencies in Asia (ACRAA) and Golden Credit Rating International Co., Ltd., the one-day Conference focused on the theme "Opportunities for Foreign Investors in an Open China Bond Market". It aimed to explore the opportunities for both international issuers and investors in the China market, as well as to enable China's issuers and investors to benefit from their exposure to international capital markets.

The topic for Mr. Alles' panel was "Exploring the

Roles of Domestic Credit Rating Agencies and ACRAA in Facilitating Cross-Border Investment." Mr. Alles was requested to share his views on the challenges in risk management for international exposure, especially the on the need for foreign credit assessment and monitoring.

Santiago F. Dumlao, Jr., ACRAA Secretary General delivered the opening remarks, while Luo Guang, Chairman of Golden Credit Rating, delivered the keynote speech. Chairman Luo traced the 30 years of bond and stock market development in China, and discussed the opportunities and challenges emerging in the world's second largest bond market.

Nearly 200 industry practitioners participated in the Conference, including some members of the Asian Bankers Association.

Asia-Pacific 2019 growth to slow to 5.8% on trade tensions: World Bank

A participant stands near a logo of World Bank at the International Monetary Fund - World Bank Annual Meeting 2018 in Nusa Dua, Bali, Indonesia, October 12, 2018. REUTERS/Johannes P. Christo/File Photo

Asia Pacific economies are expected to slow this year due to uncertainty around U.S.-China trade tensions and slowdowns in major global economies could further hurt the region's exports, a World Bank report said on October 10. Economic growth in the region is forecast to slip to 5.8% in 2019 from 6.3% in 2018.

The report highlights the weakening global demand and heightened uncertainty that led to a decline in exports and investment growth, and points out that increasing trade tensions pose a long-term threat to regional growth.

Countries with proximity to China as manufacturing centers will see limited benefit in the short term as trade tensions and global uncertainties intensify, the World Bank said.

"While companies are searching for ways to avoid tariffs, it will be difficult for countries in developing East Asia and the Pacific to replace China's role in global value chains in the short term due to inadequate infrastructure and small scales of production," said Andrew Mason, World Bank Lead Economist for East Asia and the Pacific.

The Washington-based lender said that faster-than-expected slowdowns in China as well as in Europe and the United States could further weaken demand for the region's exports.

China's growth is projected to slow to 6.1% this year, down from 6.6% in 2018, the report said.

For the long term, the World Bank said the ongoing U.S.-China trade dispute will increase the need for countries in the region to use fiscal or monetary measures to help stimulate their economies and undertake regulatory reforms to improve trade and attract investment.

The World Bank said that growth for East Asia and the Pacific is expected to slow to 5.7% in 2020 and 5.6% in 2021.

Reuters

Southeast Asia's online banking services could generate $38 billion in revenue by 2025, report finds

By Saheli Roy Choudhury, CNBC

Key Points:

- Digital financial services are predicted to generate at least $38 billion in revenue across Southeast Asia by 2025, a new study revealed on October 30.
- The 98 million underbanked in Southeast Asia's six largest economies are set to be an important growth driver for digital financial services.
- Consumer technology platforms such as Grab or Gojek have an advantage in gaining market share because of their expanding customer base who use multiple services from them, according to the study.

A GrabCar driver uses the Grab app on a smartphone in Singapore. (Bloomberg/ Getty Images)

Digital financial services are predicted to generate at least $38 billion in revenue across Southeast Asia by 2025, a new study revealed on October 30.

The report, co-authored by global management consultancy Bain & Company, Google and Singapore state investor Temasek Holdings, said that number could even grow to $60 billion in the next 6 years if there are continued investments, better infrastructure, and supportive regulation.

If those numbers are realized by 2025, it would represent a jump between 245% and 445% from the $11 billion in digital financial services revenue today. Most small businesses and consumers still predominantly use cash at the moment.

"Southeast Asian financial services market itself is relatively underdeveloped when we look at developed markets benchmarks," Aadarsh Baijal, partner and leader of Bain & Company's digital practice in the region, said at a news briefing.

The report looked at markets in Vietnam, Indonesia, Philippines, Thailand, Malaysia, and Singapore.

Underbanked customers

More than 70% of the region's 400 million consumers are currently either unbanked or underbanked, the study said. The unbanked are adults who do not use banks or financial institutions.

"The underbanked are really consumers who have a bank account but are not really participating fully in the financial services market," Baijal said. "They don't have access to basic things like credit cards or insurance, they're under-protected, they don't have the right long-term savings."

There are some 98 million underbanked in Southeast Asia's six largest economies, and they represent "the biggest potential and the true growth engine in digital financial services," the report said.

Consumer technology platforms such as Grab or Gojek have an advantage in gaining market share in this segment because of their expanding customer base who use multiple services from them, according to the study.

It added that a company's success in the online financial services sector depends on three things:

1. share of mind — how frequently consumers think about its services;

2. share of time — how frequently they use those services;

3. share of trust — whether they trust the firm or not.

Grab and Gojek started off as ride-hailing businesses and steadily expanded into other areas, including digital payments and lending. They are able to generate large volumes of data from their users regularly, and that allows the companies to understand consumer expectations, behavior and sentiment.

"Even though they have a lot of share of time, they're still battling it out for who gets the trust," Baijal told CNBC. For "share of mind, a lot of people are actually looking to new players like Revolut announcing their metal credit card," he said referring to the British financial technology company that offers banking services.

"Some other players might actually come up at the top of mind," he added.

Baijal explained that at this point, most people would still look to banks to deposit their salaries because they are perceived to be more trustworthy. "There's a little bit of a hurdle to go from 'share of time' to the others. I think (consumer technology platforms) have an advantage, but it's not that they're already ahead and others can't catch up," he added.

The report published on October 30 followed a study earlier this month, also from Bain & Company, Google and Temasek, which said Southeast Asia's internet economy is expected to grow to $300 billion by 2025.

The region has a high smartphone penetration, improving internet connectivity and a growing population, which makes it a lucrative market for services like e-commerce, ride-hailing and digital payments.

Special Feature

Asia's open banking advantage

By Rama Sridhar, MIT Technology Review

Market forces mean the region's consumers could benefit earliest from open banking innovation.

Open banking is one of the most significant innovation forces happening in consumer financial services around the world. It's increasing the connectivity between banks, fintechs, and other players to improve competition within the industry and customer access to a wider marketplace of financial products and services.

In Europe, regulations have been significant catalysts for the rise of open banking. These include Europe's implementation of its Second Payment Services Directive (PSD2) and the UK Competition and Markets Authority's (CMA) Open Banking regulation. The impetus for the CMA was a 2016 investigation into competition in UK banking that found older, larger banks were not having to compete hard enough for customers' business while smaller and newer ones were finding it difficult to access and grow in the market.

These are certainly not the same conditions that are driving financial services in Asia toward open banking. In Asia, countries are digitalizing in real-time and tech-savvy consumers are embracing e-commerce and digital payment platforms with ubiquity. To compete effectively and maintain their share of customer eyeballs and wallets, the region's banks are largely opening up of their own accord to offer an ever-widening and innovative range of services for consumers to access and leverage their money.

This is not to say that regulation isn't playing a role in some markets. Australia and Japan and the region's financial powerhouses—Singapore and Hong Kong—are leveraging the lessons learned in Europe, consulting extensively with regional banks and tailoring their own approaches to fostering banking innovation.

However, because the primary driver of open banking in Asia is largely commercial, the principles of open banking—innovation, interconnectivity between banks, a dynamic ecosystem of fintechs, and consumer-centric design—are being swiftly embraced and executed on by banks and tech companies. This is particularly pronounced in China, where banks are driving open banking voluntarily with minimal regulatory

mandates. As a result, they are already shaping consumers' online experience and expectation of digital financial services.

This, combined with the rising base of financially and digitally included citizens, provides the region with the unique ability to both leapfrog to the next generation of digital financial services and learn from the first-mover regulators elsewhere. As open banking is embraced around the world, it is not a stretch to say that Asia has the potential to move to the forefront of innovation and become the global leader.

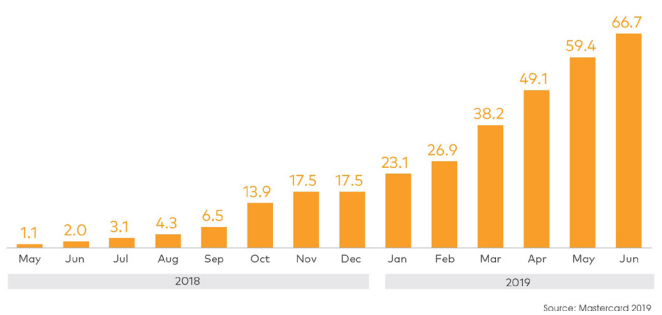
Finding their own way

Heralded as a quiet digital revolution, open banking legislation in Europe has held the attention of many monetary authorities around the world, with regulators waiting to see its net impact.

On paper, PSD2 mandates that banks create APIs (vehicles for bundling and sharing discrete data sets between organizations) for digital banking transactions, preventing consumers from being locked into a single bank's products and services. Open banking requirements are similar, and they stipulate common standards for third parties providing information.

In practice, this legislation appears to be driving growth and competition in the industry—the intended effect. In the UK, API "calls" have surged over the last year, from roughly one million a month in May 2018 to more than 66.7 million in June this year. A recent report commissioned by the Open Banking Implementation Entity (OBIE) estimates that UK consumers and businesses will see £18 billion ($22 billion) in additional value annually because of the increased levels of service and competition brought about by open banking.

Figure 1: Open banking in the UK has already grown significantly
Number of successful monthly API calls (Millions)



As a result, regulators in Asia are now seeking to create legislation that creates the conditions where an open banking ecosystem can flourish in their own markets. Australia's federal government made it a requirement for major banks to provide product information APIs by July of this year, and it will require them to make all consumer and transaction data open and available by July 2020. Japan's regulators have strongly encouraged banks to publish APIs, and an amended Banking Act is expected to encourage 80 major retail banks to open their APIs by 2020.

Elsewhere, "sandbox" style collaborations between banks, fintechs, and regulators have propelled debate about the direction that open banking activities should take and accelerated the development of APIs in the region. In July 2018, the Hong Kong Monetary Authority (HKMA) published an open banking API framework developed in collaboration with industry stakeholders, which is already gaining traction. Since the beginning of 2019, some 20 retail banks in Hong Kong have launched more than 500 open APIs for product information, and will participate in a second phase, involving APIs for loans, credit cards, and other new applications, in October this year.

Similarly, the Monetary Authority of Singapore (MAS) published an API Playbook last year; to date Singapore's API Register has logged 121 transactional and 192 informational APIs. In 2017, Singapore's largest bank, DBS, launched what it claims is the world's largest API development platform for fund transfer and other services of its own digital bank and those of partners such as PropertyGuru, AIG, and FoodPanda.

And in May this year, Thailand's Siam Commercial Bank (SCB) created an API development portal, through which it will share technology for such applications as QR payment code development, customer profile development, and authentication with partners.

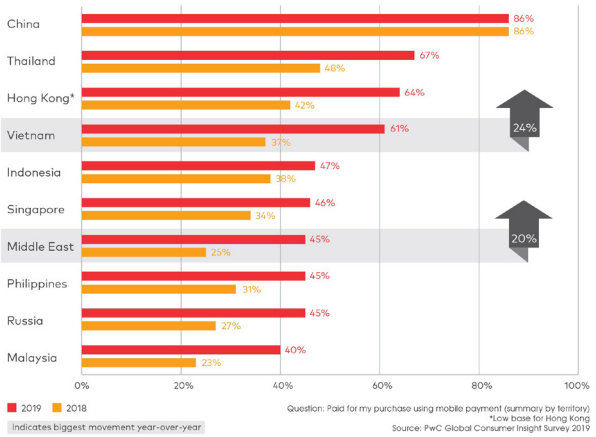
These initial steps have already been quite transformative to the adopting country's digital transaction landscapes. For example, within 10 months of its launch following the API publishing requirements, PayPay, a Japanese smartphone payment settlement service, registered 10 million customers and more than 100 million transactions. In Hong Kong, 200 APIs from 13 banks have been launched on the Jetco APIX platform, and Singapore has 313 APIs currently available in the MAS API register. In China, all major banks are offering APIs across various services.

Keeping pace with the market

While Asian monetary authorities are currently taking a lighter regulatory approach than their European counterparts, this does not mean the pace of innovation is any more relaxed. Indeed, banks in the region are being rapidly propelled into open banking territory by the pace of fintech advancement in the markets themselves. The incredible speed at which Asia is digitalizing—particularly in the financial sector—is largely being driven by the proliferation of mobile transaction platforms, rising consumer acceptance for digital banking channels, and increasing efforts by Asian governments to promote cashless societies.

A recent survey by PwC estimates that eight of the world's 10 fastest-growing mobile payment markets are in Asia, led by Vietnam, where more than 60% of consumers regularly make transactions over smartphones. Google estimates that some $1 billion in cashless (largely mobile-payment-based) transactions were conducted in 2017 on local digital commerce platforms, such as ride-sharing giants Grab or Go-Jek, or e-marketplaces such as Tokopedia. In China, over half of point-to-point transactions today are conducted through either AliPay or WePay, according to WalkTheChat, a WeChat marketing consultancy, with a total estimated value of more than $122 billion.

Figure 2: Biggest growth in mobile payment in Vietnam and Middle East



As a result, in many Asian markets, it is the "digitally native" internet businesses, rather than traditional banks, that are opening up the financial landscape. Many of these innovators, in India and China in particular, have generated such scale and market influence that they have also acquired government support and sponsorship of their new banking service models they advocate.

In order for Asia's traditional banking industry players to compete effectively and maintain their status in consumers' financial lives, they have one choice—to fully digitalize products, services, and customer experiences. If traditional banks are keen to exploit these new opportunities, they must, in effect, share their hard-won customer relationships with the wider ecosystem of digital services, giving consumers the convenience and choice they are coming to expect. This ultimately requires banks to adopt open banking principals, and keep pace with consumer demands for flexible and seamless digital services.

While many financial services leaders in Asia would admit that the long-term implications of open banking on customer relationships and the market landscape are still uncertain, most are approaching the new ecosystem with a high degree of proactivity and optimism. Traditional banks are being innovative in developing APIs and new services, and taking advantage of new regulatory opportunities.

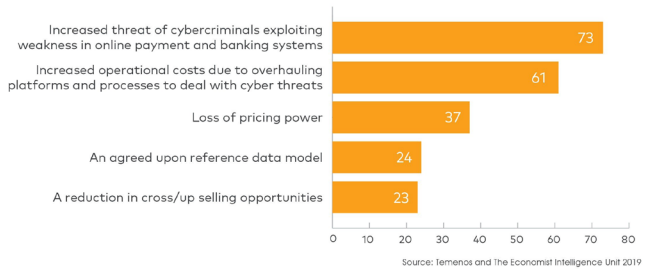
For example, Standard Chartered Bank, which has a 166-year history, has been awarded one of the eight "virtual banking" licenses issued by HKMA since March 2019. Another recipient is Ping An Insurance, China's technology-forward insurance market leader. Ping An's OneConnect Bank is scheduled for a soft launch at the end of 2019, but has already been working with other financial service providers in China and across Asia to provide technology services based on its API-driven service model.

In contrast, banks that fail to embrace open banking simply will not be able retain customers and relevance in this landscape. For example, the entry of digital banks—which are becoming a global runaway phenomenon—has already begun to disrupt retail banking services in Asia and beyond. They point toward the future of banking: virtual institutions that do not charge minimum balance service fees and offer competitive lending fee structures that will ultimately outcompete traditional banking model.

Firm foundations

Without strict regulatory mandates, Asia's organic, collaborative, and market-led path toward open banking could make its financial services industry even more innovative and dynamic than Europe's. Indeed, if the goal is to create seamless end-to-end experiences where, in the absence of silos, and customers are truly free to access any number of service providers and benefit from a financial services landscape where large and small players have equal access and opportunity, it is conceivable that Asia will reach this point before any other region in the world.

Figure 3: Greatest challenges posed to global banks by open banking API framework



Yet there are challenges to this light hand. Important issues such as consumer data protection and security have the potential to be neglected as Asian players race pell-mell to establish presence. Indeed, cybersecurity is emerging as one of the most significant challenges to banks as they look to adopt

open banking frameworks.

Consumers must also be brought along for the journey, including those who haven't yet entered the financial system.

As a result, for Asian ecosystem players to leapfrog to the head of the race to open up the financial services landscape, banks and ecosystem players in the region need to ensure three key areas are adequately addressed:

Security must underpin the whole system. Rapid innovation in an open ecosystem creates many opportunities for consumer data to be hacked or misused, and the proliferation of connections has the potential to create a mess of permissioning.

As a result, authentication systems for enhancing security around customer data integrity are essential for giving open banking ecosystem participants the confidence that customer data provided by partners or customers themselves is in fact genuine.

It is for this reason that Europe's PSD2 insists that banks deploy common Strong Customer Authentication (SCA) standards. However in Asia, authentication tools are as of now are being providing through collaborative industry frameworks or sandbox development portals such as SCB launched in Thailand.

As a result, stronger cybersecurity measures are needed in the region. Further, setting the bar for regional cybersecurity collaborations could underpin Asia's ability to leapfrog. If policymakers and monetary authorities across the region can collaborate together to mitigate risk and build trust in innovative financial services, the ecosystem will proliferate for all stakeholders—banks, fintechs, and consumers.

Consumers need to be brought on the journey. As banks enter new partnerships and develop new APIs at a breakneck pace, they need to make sure that they are creating the services that provide the most value for consumers and don't overwhelm them with needless choices. Customer education must also include building trust in the security behind data transfer mechanisms so that consumers are confident to use the services available to them.

Ensuring consumers are brought along for this journey will help ease the friction the UK is currently experiencing in trying to accelerate the pace of change. According to a recent survey of 2,000 people by Splendid Unlimited, only one in four people have heard of open banking and only one in five knew what it meant or entailed. Beyond this, respondents were reported to be cynical that open banking is more for the financial services industry than for them, which doesn't help progress.

Companies need to balance innovation with inclusion. With competitors popping up almost daily to challenge banks for their digital consumers, it is worth remembering that large swaths of Asia are still largely unbanked and in need of simple and secure access to financial services. There are tremendous gains to be made by banks in continuing to promote financial inclusion for the millions at the lower end of Asia's socioeconomic spectrum. In developing digital banking strategies, banks should continue to keep financial inclusion as a high priority area for innovation.

In short, by simultaneously harnessing keen, focused attention from its regulators and the appetite for digital convenience and choice of its consumers, Asia's financial service industry stands to create an innovative and competitive open banking marketplace. In fact, Asia's unique blend of digital market savvy and "light-touch" policymaking may see it become a global open banking leader.

However, for this to happen in a robust and sustainable way, Asia's banking ecosystem participants must also temper their organic market-minded drive with systematic and collaborative adoption of key fundamentals including appropriate security practices and market education efforts.

Rama Sridhar is Executive Vice President, Digital and Emerging Partnerships and New Payment Flows at Mastercard.

Among Member Banks

BEA Forms Strategic Alliance and Leverages the Power of API to Bring New Banking Experiences to Customers - The Bank of East Asia, Limited ("BEA") on October 23 announced a strategic alliance with Joint Electronic Teller Services Limited ("JETCO"), Mastercard, Blue Cross (Asia-Pacific) Insurance Limited ("Blue Cross"), Octopus Holdings Limited ("Octopus"), mReferral Corporation (HK) Limited ("mReferral") and Price.com.hk Limited ("Price.com.hk"). Through API collaboration, the strategic alliance will deepen the digital transformation of BEA's banking services and bring greater convenience to customers in their daily lives.

As developing technologies and FinTech grow in popularity in Hong Kong, customers' demands for digital banking services are increasing. To meet this growing demand, other than using JETCO's APIX platform, BEA is working closely with key partners through API to create a brand-new digital experience that caters to customers' various banking needs.

At a press conference introducing the alliance, Mr. Adrian Li, Co-Chief Executive of BEA, said "BEA strives to ensure a positive banking experience by offering innovative banking services that meet the needs of our customers. Our digital strategy has proven to be effective. In the past two years, the number of BEA's Mobile Banking customers has increased more than 40% year on year. Digital customers now make up 50% of our overall customer base and over 80% of financial transactions are made through automated services channels. I look forward to bringing greater value to our customers through this collaboration, as well as to participating merchants and our Bank."

BEA News Release

SBI expects return on assets to hit 4-year high this fiscal - State Bank of India's return on assets may hit a four-year high this fiscal year on the back of improving interest income, driven by higher net interest margins and stable asset quality, the country's largest bank told analysts, triggering a surge in its stock on October 31. In its post results meeting with analysts on October 30, the SBI management said it expects the bank's return on assets (RoA) to improve to 0.4 percent -0.5 percent this fiscal and to 0.9 percent - 1.0 percent in 2020-21. This would be the highest since 0.4 percent RoA reported in the year ended March 2016.

The rise in RoA would be driven by credit growth of around 10 percent -12 percent and higher net interest margins (NIMs) of 3.15 percent -3.20 percent , fee income growth of 15 percent and an estimated slippage ratio of 2 percent for the year ending March 2020, the management said. It expects the slippage ratio to improve to 1.3 percent by March 2021.

The bank is targeting a pre-provisioning operating profit of 65,000 crore this fiscal, which it expects to increase further to 75,000 crore in fiscal 2021. In case stress rises, the bank's pre-provisioning profit could come down to 70,000 crore in fiscal 2021, which will depress the RoA at 0.75 percent -0.85 percent , it said. That would be still much better than the 0 percent recorded in fiscal ended March 2019 and negative RoA reported in fiscals 2017 and 2018.

Economic Times India

MUFG Bank inks deal to bolster Japanese investment in Saudi Arabia - Tokyo-based MUFG Bank said it has concluded an agreement with the Saudi Arabian General Investment Authority (SAGIA) to strengthen the Framework for Co-operation which aims to promote Japanese investment in the Kingdom of Saudi Arabia.

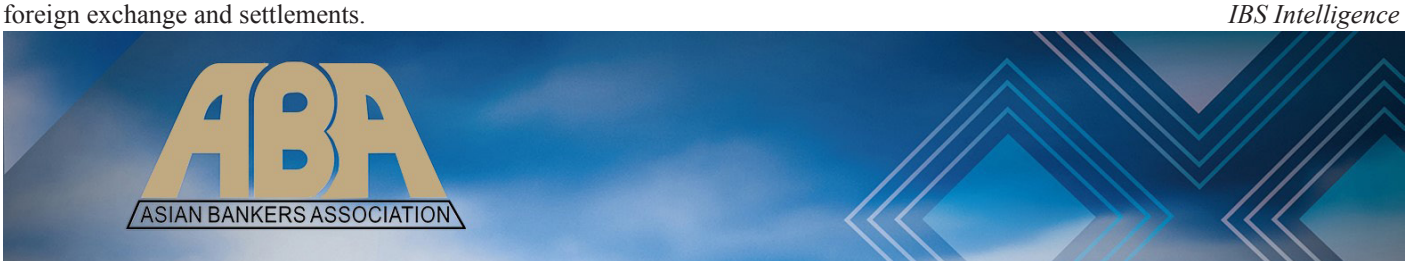
MUFG Bank had initially signed the agreement with SAGIA in March 2017 to provide Japanese corporations and investors with opportunities to understand the government and companies in Saudi Arabia.

Through the Framework, MUFG Bank will further enhance this cooperative relationship in new areas and exchange information with SAGIA to promote investment in the Kingdom and provide a broader range of services to clients on the ground as well as to those who aim to develop business in the Kingdom, it said in a statement. Increasing foreign direct investment in the Kingdom is one of the most important targets of Saudi Vision 2030, a long-term economic blueprint for the country.

SAGIA is a government body whose main objective is to oversee investment affairs, including foreign investment, in Saudi Arabia. SAGIA works towards creating a business-friendly environment, service investors and foster investment opportunities in the country.

MUFG Bank opened and commenced operations at its branch in Riyadh in the Kingdom in October 2018. The Riyadh Branch is the first branch of a Japanese bank in the country to offer full banking services for corporate clients, including deposits, foreign exchange and settlements.

IBS Intelligence



Among Member Banks

Mizuho Bank increases risky credit in competitive market- Mizuho Financial Group Inc. is extending riskier types of corporate credit to fend off competition in a country that's awash with easy money. Japan's third-largest bank by market value will offer companies more subordinated loans and other types of mezzanine finance, said Koji Fujiwara, CEO of the firm's main lending unit. "We will definitely increase it," he said in an interview.

Banks in Japan are looking for ways to boost profitability as negative interest rates squeeze net interest margins. Mizuho has been expanding a pool of what it calls "risk money" to earn higher returns than plain loans and deepen relationships with corporate customers.

"By stepping into risk sharing with clients, I think we can get closer to their strategic business decisions," Fujiwara said.

Mezzanine finance, which can include preferred shares, gets repaid later in times of borrowers' distress. While such finance costs more than regular loans, it can be counted as capital, allowing borrowers to maintain or improve their credit ratings.

Japan Times

SMBC announces completion of PoC utilizing blockchain-based platform Marco Polo - Sumitomo Mitsui Banking Corporation (SMBC) and Mitsui & Co Ltd on October 18 announced the successful completion of a proof of concept (PoC) utilizing Marco Polo, a blockchain-based trade finance platform developed by R3 LLC and TradeIX Limited.

The PoC was conducted based on actual cross-border trade flow involving Mitsui & Co, Indorama Ventures Group, Bangkok Bank Public Company Limited, and SMBC.

Traditionally, the parties' exchanges of purchase orders, invoices and other documents, are paper based. Now, by utilizing the Marco Polo platform, this process has become digitalized and automated. Through the PoC, each party was able to update data pertaining to purchase orders, invoices and shipping (such as the logistics company name), based on the most up-to-date information, and at the same time share this data with other parties in real time.

Additionally, it was confirmed that Bangkok Bank was able to issue a payment guarantee for Indorama to Mitsui & Co, and that Mitsui & Co could request receivables financing from SMBC based on the payment guarantee through the Marco Polo platform if necessary.

Finance Feeds

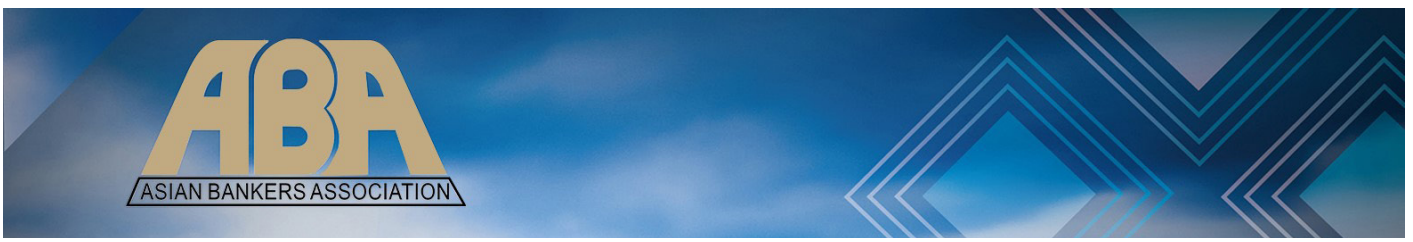
Maybank inks MoU with National Bank of Cambodia for cross-border payment, remittance - Maybank inked a memorandum of understanding (MoU) with the National Bank of Cambodia (NBC) to collaborate in the areas of cross-border payments and remittance between the two countries.

With the MoU, the two parties will explore the possibility of enabling real time transfers, payments, and cross border remittance of funds between Cambodia and Malaysia through the NBC's Bakong payment system and Maybank's Maybank2u digital platform.

"The introduction of Bakong system will provide more possibilities in enhancing payment system at both domestic and regional level and the signed MOU will enable both institutions to reach another level of financial cooperation in further leveraging the technology to benefit the people in Cambodia and Malaysia," said NBC assistant governor and director general Chea Serey in a press statement.

She elaborated that the collaboration will substantially contribute to the promotion of trade activities and financial inclusion in both countries.

The Sun Daily



Among Member Banks

BML, Mastercard introduce digital payments - Bank of Maldives (BML), on October 17, officially introduced Mastercard products to Maldives at a ceremony held at Crossroads Maldives.

The complete range of Mastercard products, including the Mastercard Business Debit Card and the premium Mastercard World Credit Card, were introduced during the event.

The new cards and all existing Mastercard products support contactless payments to support a faster, more secure and seamless payment experience.

Governor of the Maldives Monetary Authority (MMA) Ali Hashim presided over the launching ceremony.

Through the launch of Mastercard products, BML aims to connect individuals and businesses by facilitating convenient and secure payments as well as better customer experiences.

Speaking at the launching ceremony, BML's Chief Executive Officer (CEO) and Managing Director Tim Sawyer stated, "Bank of Maldives is proud to remain at the forefront of digital banking in the Maldives, and our collaboration with Mastercard allows us to work together on our shared vision of driving innovation to enrich customer experience".

The Edition

PNB is Red Cross's new humanitarian partner - The Philippine Red Cross (PRC) has formally received the P5-million donation from the Philippine National Bank (PNB) for the purchase of two ambulance units. The corresponding memorandum of agreement (MOA) was signed by both parties on October 24, 2019, at The Peninsula Manila in Makati.

PNB also pledged P2.9 million for Basic First Aid and Life Support, and Disaster Preparedness Training for PNB employees.

The MOA signing was led by PRC Chairman and CEO Richard Gordon, and PNB President Jose Arnulfo "Wick" Veloso at the 16th Southeast Asia Red Cross and Red Crescent Leadership Meeting.

"The Red Cross of the Philippines thrives because of people like PNB President Wick and the PNB. Without them, we have no definite resources," said Gordon.

The PNB is the latest addition to a roster of socially responsible companies who see the value of the premier humanitarian organization in the country.

The new partnership was made possible by the efforts of PRC Governor Saeed Daof and support of Gordon.

Business Mirror

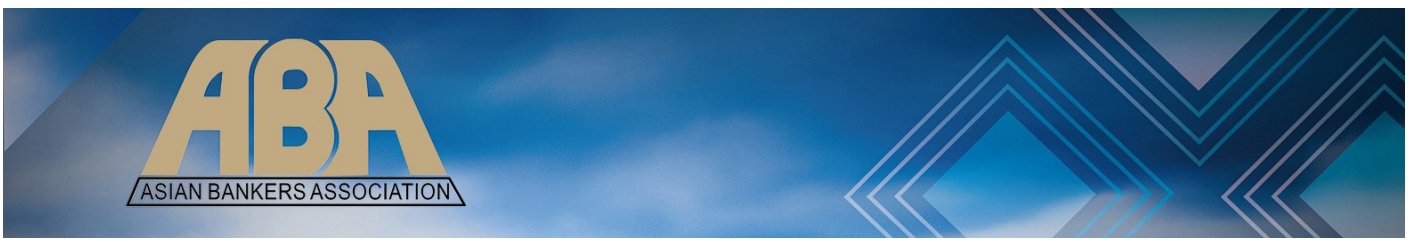
RCBC thrift bank leads full shift to cloud-based core banking tech - Merchants Savings & Loan Association Inc., which operates under the brand Rizal Microbank (RMB), is the first thrift bank in the Philippines to get Bangko Sentral ng Pilipinas (BSP) approval to fully shift to a cloud-based core banking system.

RMB, which is the thrift bank of Rizal Commercial Banking Corp. (RCBC), entered into a partnership with NXTBNK, a Poland-based next-jgen cloud platform provider for modern banks.

The platform enables RMB to use an efficient automated system in enacting basic banking transactions, and generating internal and regulatory reports. Having this mechanism would minimize the time requirement for opening deposit accounts, and applying for microfinance and small business loans. RMB said this would allow more time to service more clients within and outside the branch premises.

The platform, which is deployed through Amazon Web Services (AWS), includes an open source application program interface (API) that enables the bank to be adaptable and compatible for open banking.

Business Mirror



Among Member Banks

DBS Chief is First Singapore CEO on Top 100 List - DBS' chief executive Piyush Gupta is in Havard Business Review's "The CEO 100" 2019, joining the likes of Microsoft's Satya Nadella, J.P. Morgan Chase's Jamie Dimon, Disney's Robert Iger and Tencent's Ma Huateng in the list. NVIDIA's Jensen Huang takes pole position.

"Piyush Gupta's leadership, together with a committed management team, has been critical in reshaping the bank. Over the years, he has shown us time and time again what an outstanding chief executive he is – his vision, courage and tenacity, and most importantly, his steadfastness in wanting to do the right thing by our people and our communities. Being the first Singapore CEO to be featured on this list, Gupta has done us all proud by flying the Singapore flag high on the global stage once more," said DBS Chairman Peter Seah in a media statement on October 29.

The ranking is based not only on financial performance but also on environmental, social, and governance (ESG) ratings, according to HBR. This year, ESG scores have been weighted to account for 30 percent of each CEO's final ranking – up from 20 percent in 2018, to reflect "the fact that a rapidly growing number of funds and individuals now focus on far more than bottom-line metrics when they make investment decisions». In addition, HBR's rankings rely on «objective measures over a chief executive's entire tenure", it said.

Fin News Asia

UOB extends $140m in green loans to real estate SMEs - United Overseas Bank (UOB) on October 31 said it has provided its first green loans under its new real estate sustainable finance framework.

Lucrum Capital and Teambuild Engineering & Construction are the first to use the framework. The two companies secured a total of $140 million in three loans to finance the construction and operation of their green buildings in Singapore.

UOB said this is the first lending framework dedicated to supporting sustainability-related projects for the property sector established by a Singapore bank.

It was developed specifically for companies that own or manage real estate assets such as data centres, hotels, homes, restaurants, offices, as well as industrial and retail spaces.

The framework sets out the eligibility criteria - including sustainability strategy, objectives, ratings and performances targets - for the companies to meet when applying for the green or sustainability-linked loans.

Straits Times

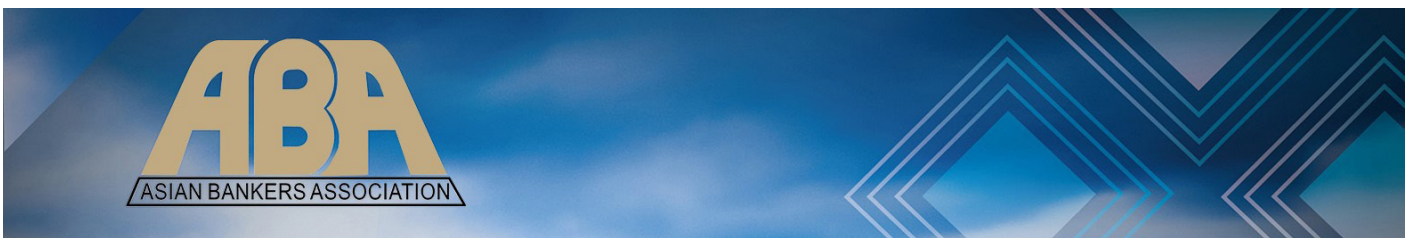
E.Sun bank still leads its peers on new credit cards - E.Sun Commercial Bank was the biggest issuer of new credit cards among local banks in September, for a third consecutive month, thanks to new programs featuring mobile payment and big rewards for online shopping.

The banking unit of E.Sun Financial Holding Co issued 181,405 new cards in September, or 25 percent of all 723,056 cards issued, compared with the 127,293 and 155,055 cards it issued in July and August respectively, Financial Supervisory Commission data showed.

The bank's U Bear card, launched in July and targeting younger consumers, was the first card to focus on rewards for online shopping.

Cardholders earn NT$5 (US$0.16) for every NT$100 spent on online and can earn 8 percent on purchases made at the nation's four convenience store chains, E.Sun said on October 31.

Taipei Times



Among Member Banks

Fubon ranks No. 1 so far this year - Fubon Financial Holding Co ranked first among Taiwan's 15 listed financial holding companies for net profit and earnings per share (EPS) in the first nine months of this year, the companies' financial statements showed.

Fubon Financial posted net profit of NT$53.59 billion (US$1.74 billion) for the period, up 7 percent from a year earlier, with EPS of NT$4.98, making it the first financial holding company to post EPS above NT$4 so far this year.

Fubon Financial's earnings were given a boost last month when it reported net profit of NT$4.14 billion, an increase of 43 percent year-on-year, the figures showed.

The company's two main profit engines, Fubon Life Insurance Co and Taipei Fubon Commercial Bank, generated NT$27.40 billion and NT$16.92 billion in net profit respectively during the nine-month period.

Fubon Life benefited from a 21 percent increase in first-year and total premiums, while Taipei Fubon Bank was helped by growing interest and fee incomes.

Taipei Times

Vietcombank first local lender to open Australia branch - Vietcombank, one of Vietnam's leading banks, has received approval from the central bank to open a branch in Australia.

The branch will open in Sydney and have a registered capital of AUD71 million ($48.08 million), according to the State Bank of Vietnam's (SBV) approval document released on October 9.

Vietcombank must complete the opening of the branch within 24 months from the date of the SBV's approval, after which it expires, the document says.

This move is an important step in Vietcombank's global expansion strategy, in which it aims to gain a place among the world's top 300 banking and financial groups by 2020, it said in a statement.

In June this year, Vietcombank received the final permit to set up a representative office in New York City of the U.S. from the New York State Department of Financial Services (NYDFS).

VN Express

Banking and Finance Newsbriefs

Hong Kong

Hong Kong bank profits seen falling 67% in JPMorgan's worst case

Months of protests, a worsening economy and a plunge in property prices could translate into severe pain for Hong Kong's banks, and threatens to end the city's status as a "safe haven" for customers' savings, according to JPMorgan Chase & Co.

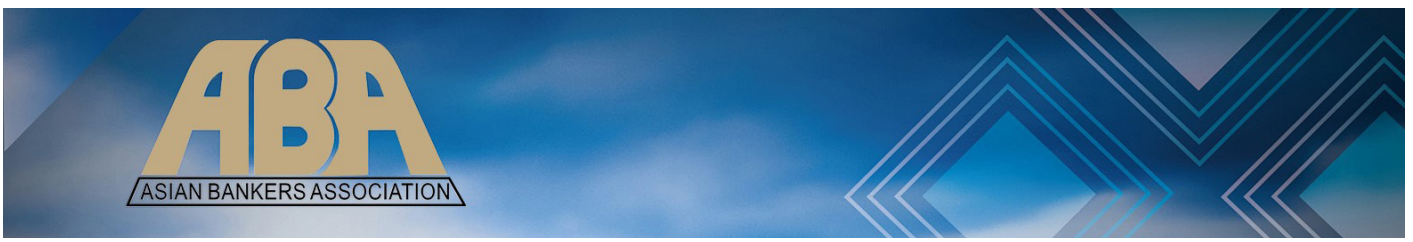
A stress test performed by the US bank projected that local lenders including Hang Seng Bank and Bank of East Asia could see earnings slump 24 percent to 45 percent next year and 39 percent to 67 percent in 2021. That would lead to significant deterioration in return on equity and core capital buffers, analysts led by Jemmy Huang told clients in a note on October 29.

They downgraded Hang Seng Bank to underweight from neutral and said they are taking a "cautious" view of lenders in the city.

"The social unrest in Hong Kong has persisted for more than four months and shows no signs of moderation," Mr Huang wrote.

While the Hong Kong government has laid out policy support including boosting loans to small businesses and cutting banks' capital buffers to mitigate an economic downturn, "history suggests a sustainable rally would not come through until the underlying issues are resolved," Mr Huang said. Hong Kong banks probably won't outperform the benchmark Hang Seng Index in the next six to 12 months, he predicted.

Business Times



Banking and Finance Newsbriefs

India

India should launch bullion banking to boost industry, suggests WGC

Gold miners' body World Gold Council (WGC) has recommended that the Indian government launch bullion banking by carving the niche bullion business out of the core banking system to bring in more transparency in business. The move might help unlock about $500 million in the value chain, it said.

As of now, banks import gold and lend as gold metal loans. So, bullion banking is confined to a handful of businesses. Going forward, when the government announces and implements a gold policy and introduces more reforms, including a spot exchange, banks' role should expand to buying gold rather than only selling.

Bullion bank, according to WGC, should undertake retail rural credit, besides wholesale banking and credit. As part of corporate and institutional business, banks should also be allowed to operate on trading platforms, do proprietary trading, deal in structured products and also float exchange-traded funds, WGC suggested.

In a report titled 'The need for bullion banking in India', the WGC has defined the bullion bank, which facilitates the purchase, sale and usage of standardised bullion by offering financing and sales and trading services to participants in the bullion market. The bank thus set up should offer purely gold-linked services like savings account, fixed deposit, accumulation plans, life insurance, inter-bank borrowing, paper gold bonds, gold monetisation scheme, gold metal loan, dore financing and loan against bullion, to name a few.

Business Standard

Japan

BOJ warns economy vulnerable to riskier lending practices of financial firms

The Bank of Japan (BOJ) on October 24 warned the country's banking system is becoming increasingly fragile as financial institutions boost risky lending and investment in an environment of prolonged ultra-low interest rates.

"Credit costs remain low but have recently started to rise, particularly for regional financial institutions," the BOJ said in a semi-annual report analysing Japan's banking system.

Regional banks have been actively taking risks via lending and investment as prolonged ultra-low interest rates and a dwindling population prod them to seek higher returns, it said.

"As they have not been able to secure adequate returns relative to the risks involved, their capital adequacy ratios have continued to decline moderately," the report said.

"Should this situation persist, loss-absorbing capacity in the event of stress would decrease, intensifying downward pressure on the economy by weakening financial intermediation," it said.

Business Times

Malaysia

BNM appoints Fraziali Ismail as assistant governor

Bank Negara Malaysia (BNM) has appointed Fraziali Ismail as assistant governor, replacing Donald Joshua Jaganathan, who will retire on Nov 4.

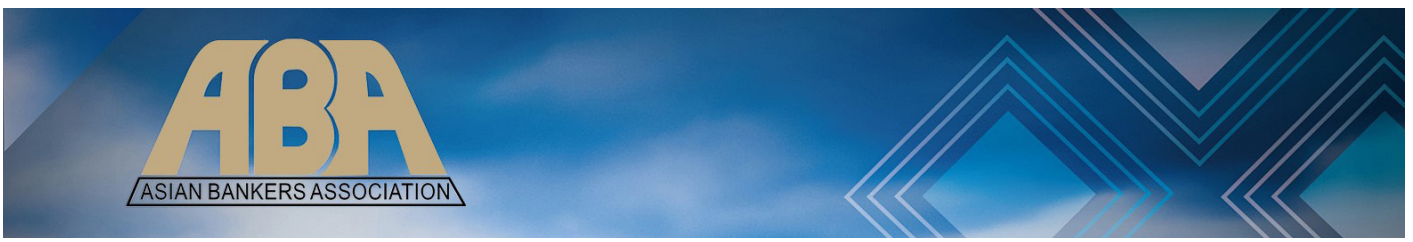
In a statement, the central bank said following the appointment, Fraziali would oversee the areas of financial surveillance, prudential regulations, consumer and market conduct, money services business regulations as well as communications.

BNM said Fraziali joined the bank in 1994 and prior to his appointment, he served in the economics and monetary policy departments.

He holds a Master's degree in Economics from the London School of Economics and Political Science and a Bachelor's degree in Economics and Accounting from the University of Bristol.

Donald, who is retiring after 36 years of service with the bank, had served in a number of areas, including in banking and insurance regulation and supervision, financial surveillance, strategic management and finance, prior to his appointment as assistant governor in 2011.

New Straits Times



Banking and Finance Newsbriefs

Korea

Bank of Korea warns of weaker growth after cutting rates again

South Korea's central bank warned on October 16 that economic growth would be weaker than forecast after cutting its policy rate for the second time this year as a global downturn pummels exports and weighs on prices.

The rate cut comes amid a wave of rate cutting by central banks around the world to shore up growth, and highlights the sense of urgency at the Bank of Korea to prop up a sputtering economy, especially with consumer prices falling. The decision to lower the main policy rate to 1.25 percent, matching a previous record low, was forecast by 21 of 25 analysts surveyed by Bloomberg.

The bank said growth this year wouldn't reach the 2.2 percent forecast it gave in July. When asked at a news conference if the economy would expand less than 2 percent this year, Gov. Lee Ju-yeol said he wanted to see data for the third quarter due next week before making a new projection.

With rate cut already priced into markets, attention focused on whether the bank would signal further cuts to come. Lee, who has warned that South Korea cannot lower rates as much as other key economies can, said the BOK still has room to reduce rates if needed and wasn't in need of unconventional measures to support growth and prices.

Bloomberg

Philippines

BAP rallies banks to pursue sustainable finance versus climate change

The Bankers Association of the Philippines (BAP) encouraged banks to incorporate environmental, social and governance (ESG) and sustainability principles into their corporate strategy, risk management and bank operations framework.

BAP's call was in collaboration with the World Wide Fund (WWF) for Nature, with support from the German Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) and United Nations Economic and Social Commission for Asia and Pacific (Unescap).

At the Second Sustainable Finance Forum, held at the Manila Peninsula Hotel last week, BAP President Cezar P. Consing said in his opening remarks that the world's leading institutional investors are increasingly demanding publicly listed companies to operate on sustainability and ESG frameworks.

The Philippine Stock Exchange (PSE) itself has also committed to publishing ESG disclosure guidelines in an effort to gradually assimilate the framework in Philippine companies.

Consing added that in the past few months, sustainability has found powerful proponents in the PSE, and regulators such as the Securities and Exchange Commission and the Bangko Sentral ng Pilipinas, all of whom have introduced guidelines, frameworks, regulations and tools to encourage sustainable lending, business practices and disclosures.

"As economically minded people, we all react to sensible measures. What gets measured gets managed," Consing said.

He added that Philippine banks are hell-bent on catching up, despite being behind their Asean peers in integrating ESG and sustainability.

Business Mirror

Banking and Finance Newsbriefs

Singapore

Singapore bank lending down 0.06% in September: MAS preliminary data

Bank lending in Singapore slipped by 0.06 percent in September from a month ago, as a fall in business loans more than offset a rise in consumer loans, preliminary data from the Monetary Authority of Singapore (MAS) showed on October 31.

Loans through the domestic banking unit – which captures lending in all currencies, but reflects mainly Singapore-dollar lending – stood at S$684.5 billion in September, down from S$684.9 billion a month ago.

From a year ago, total lending rose 2.2 percent, unchanged from the 2.2 percent year-on-year gain posted in August.

Total business loans dipped 0.2 percent to S$422 billion in September compared with a month ago.

Housing loans, which account for more than three-quarters of consumer lending, dropped for a ninth straight month, on a month-to-month basis, declining 0.04 percent to S$201.3 billion. Year on year, they were down about 1.3 percent.

Business Times

Taiwan

Taiwan's economic growth surges past Japan, S. Korea

Taiwan's economic growth exceeded that of regional rivals Japan and South Korea in the first nine months of this year, thanks to relatively stronger export numbers and investment from Taiwanese firms reshoring from China.

In a report titled published on October 28, the Ministry of Economic Affairs (MOEA) announced that Taiwan's economy grew at a rate of 2.4 percent from January to September of this year, surpassing South Korea's 2.1 percent and Japan's 1.2 percent. One major factor contributing to Taiwan's superior growth was exports, which increased by 2.8 percent over that period compared to 1.5 percent for South Korea and 1.7 percent for Japan.

According to the report, Taiwan's export dependence (value of exports as a proportion of GDP) in 2018 was 56.6 percent, higher than South Korea's 37.4 percent and Japan's 14.9 percent. From January to September, Taiwan's top five exports accounted for 69.1 percent of its total exports, while its top five trading partners accounted for 86.5 percent of total exports.

Taiwan's exports fell by 2.5 percent year-on-year over the first nine months of the year, while South Korea's fell 9.8 percent and Japan's dropped 4.8 percent over the same period. The report blamed the drop on decreased demand due to a global economic slowdown and a decline in raw material prices.

Taiwan News

Thailand

Individual banking agent licences studied

The Bank of Thailand wants to grant individual banking agent licences for basic financial transactions to broaden consumer alternatives in accessing financial services.

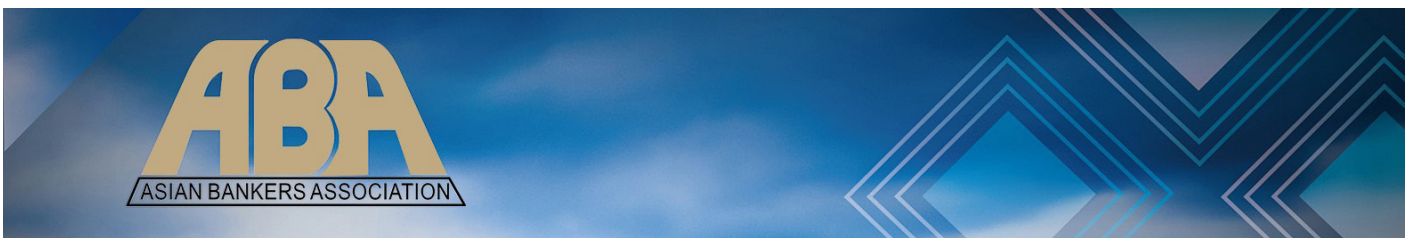
According to the central bank's consultation paper, policymakers plan to offer individual banking agent licences to those who qualify.

The central bank also requires applicants for the licences to have clear service points and equipment and system readiness.

The Bank of Thailand would allow individual banking agents to offer basic financial services such as money and loan withdrawals, as well as bill payments, the paper said.

Individual banking agents offer more convenience to consumers, especially those living in remote areas who cannot access bank branches and ATMs.

Bangkok Post



Banking and Finance Newsbriefs

Vietnam

WB, Switzerland support Vietnam's efforts to strengthen banking sector

The World Bank (WB) and the State Bank of Vietnam (SBV) signed on October 1 a financing agreement for a grant worth US$2.2 million provided by the Swiss government to implement a project to strengthen Vietnam's banking system.

The project aims to strengthen the soundness and resilience of the banking sector by enhancing the capacity of Vietnam's central bank to address structural weaknesses in the banking system.

Specifically, the World Bank will provide technical assistance to implement reforms laid out under the Banking Restructuring Plan 2016-2020 and the subsequent 2025 Banking Sector Strategy.

"A healthy banking sector, which is the largest segment of Vietnam's financial system, is fundamental to the country's sustainable economic growth," said Ousmane Dione, the World Bank Country Director for Vietnam.

He added that by bringing in world-class expertise in banking sector development, the World Bank hopes to support the SBV in successfully implementing the structural reforms they are committed to deliver.

Challenges facing the banking sector include issues of asset quality, weak capitalisation and regulatory constraints that inhibit further investment in the sector.

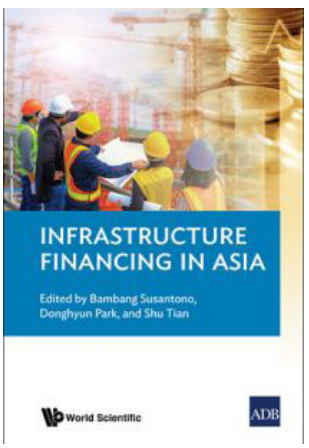
In addition, Vietnamese banks have higher overheads and more provision for non-performing loans.

The sector is being revamped toward a more market-oriented sector, underpinned by international standards, and stronger financial stability monitoring.

Nhan Dhan

Publications

Infrastructure Financing in Asia



This book highlights how private financing can help address Asia's huge infrastructure investment needs. It discusses innovation and the role of bond markets and green bonds.

The book, co-published with World Scientific, examines current practices and new solutions that can help meet the infrastructure gap. It discusses web-based independent infrastructure investment platforms and bonds that capture infrastructure projects' positive future spillover effects. It highlights the positive impact of mass transit investments on land and property values, and the possibility of taxing the increase in values to finance these investments.

The book explores ASEAN+3 efforts in developing local currency bond markets to provide long-term local financing for infrastructure investment while providing financial resilience. It also examines the use of green bonds to finance sustainable growth in Asia.

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

Publications

Financial Analysis and Evaluation: Technical Guidance Note

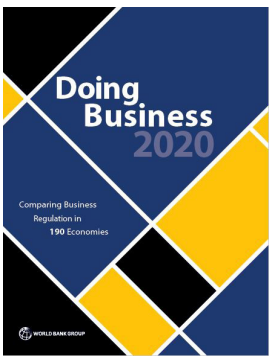
This document describes ADB's requirements and good practices for financial analysis and evaluation of sovereign projects. It identifies measures to ensure that ADB-supported investments are financially viable and sustainable.

ADB uses financial analysis and evaluation as tools for the prudent use of its resources. The document provides a sound analytical framework for assessing the financial capability of agencies to implement and maintain ADB projects. Robust financial analysis and evaluation allow ADB and implementing and executing agencies to identify and agree on actions that enhance their financial capacity, strengthening developing member countries' overall governance and institutional capacity.

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

Doing Business 2020: Comparing Business Regulation in 190 Economies

Doing Business 2020 is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the Doing Business series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.



Main Findings of Doing Business 2020:

- Doing Business captures 294 regulatory reforms implemented between May 2018 and May 2019. Worldwide, 115 economies made it easier to do business.
- The economies with the most notable improvement in Doing Business 2020 are Saudi Arabia, Jordan, Togo, Bahrain, Tajikistan, Pakistan, Kuwait, China, India and Nigeria. In 2018/19, these countries implemented one-fifth of all the reforms recorded worldwide.
- Economies in Sub-Saharan Africa and Latin America and the Caribbean continue to lag in terms of reforms. Only two Sub-Saharan African economies rank in the top 50 on the ease of doing business; no Latin American economies rank in this group.
- Doing Business 2020 continues to show a steady convergence between developing and developed economies, especially in the area of business incorporation. Since 2003/04, 178 economies have implemented 722 reforms captured by the starting a business indicator set, either reducing or eliminating barriers to entry.
- Those economies that score well on Doing Business tend to benefit from higher levels of entrepreneurial activity and lower levels of corruption.
- While economic reasons are the main drivers of reform, the advancement of neighboring economies provides an additional impetus for regulatory change.
- Twenty-six economies became less business-friendly, introducing 31 regulatory changes that stifle efficiency and quality of regulation.

Contact for details: World Bank Open Knowledge Repository
Website: https://openknowledge.worldbank.org/

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