

Summary Report on ABA Activities in 2015 THE YEAR IN REVIEW

In 2015, the ABA continued to undertake activities to further enhance the value of the Association to its members and the Asian banking sector as a whole. Many of the members were involved in the conceptualization and implementation of these activities. The ABA wishes to thank them for their kind support and contribution in these efforts. Without their cooperation, the ABA would not have achieved as much as it had in many of the Association's activities and programs last year.

The following is a summary of the ABA activities in 2015.

I. PREPARATIONS FOR THE 32nd ABA GENERAL MEETING & CONFERENCE

A. Planning Committee Meeting



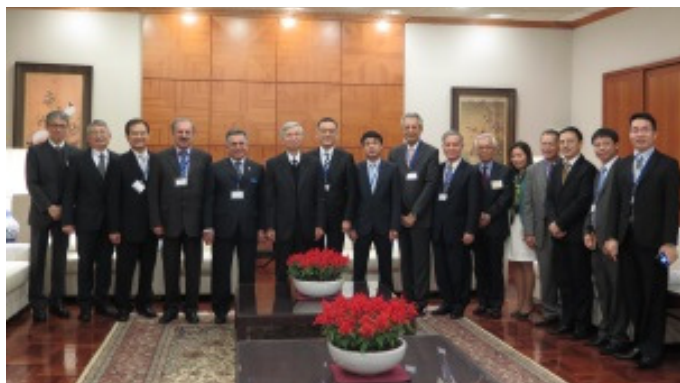
1. The 2015 ABA Planning Committee Meeting was held on March 12, 2015 at the new CTBC Bank Headquarters in Taipei, with CTBC Bank as host.

2. Presided by ABA Chairman Mr. Daniel Wu, President of CTBC Financial Holding Co. and attended by 32 officers and members of the ABA from six countries (including Iran, Japan, the Philippines, Hong Kong, Taiwan, and Vietnam), the Meeting discussed:

- a. Preparations for the 32nd ABA General Meeting and Conference, with the deliberations focusing on the final dates and venue, themes and topics for the seminar, line-up of possible speakers, and suggested format and program, among others.
- b. The progress of the various activities and projects outlined under the ABA 2015 Work Program and suggestions for their effective implementation.
- c. The Work Program for 2015 of the ABA Policy Advocacy Committee.

3. Following the Planning Committee Meeting, ABA members led by ABA Chairman Mr. Daniel Wu and ABA Vice Chairman Mr. Nghiem Xuan Thanh and accompanied by officers of the CTBC Bank and the ABA Secretariat, visited the Central Bank of the Republic of China and met with key central bank officers led by Deputy Governor Mr. Chin-Long Yang, and representatives of the Ministry of Finance.

4. The Central Bank Governor expressed his appreciation to the ABA for accepting CTBC Bank's offer to host the 32nd ABA General Meeting and Conference in Taipei. He said that the presence of bankers from other Asian countries during the Conference should generate interest among Taiwanese bankers to network with their counterparts in other Asian countries and explore business opportunities. He assured the ABA visitors of the Central Bank's full support of the ABA Conference in November.



B. Coordination with Host Bank

5. Subsequent to the Planning Committee Meeting, the ABA Secretariat coordinated with CTBC Bank on preparations for the 32nd ABA General Meeting and Conference. Discussions focused on the tentative program, the contents of the brochure, and logistical arrangements for the meeting (e.g., accommodation, meeting venues), among others. A line-up of possible speakers was identified and invited, and subsequent follow ups were made.

II. POLICY ADVOCACY

A. Approval of the Policy Advocacy Committee Work Program for 2015



6. The ABA Policy Advocacy Committee held its first meeting for 2015 on March 12 in Taipei, in conjunction with the Planning Committee Meeting. During that meeting, which was presided by the newly-designated Chairman Ms. Prudence Lin, Senior Vice president, Global Institutional Credit Risk Management Division at from CTBC Bank, the Committee approved its Work Program for 2015, which would include activities in the following policy areas: (a) Digital Banking & Payment through Non-Banks; (b) Cyber Security; (c) Implications of Changing Regulations (d) Financial Inclusion and Microfinance; and (e) ABA Informal Workout Guidelines.

B. Participation in the Basel Committee's TFSA Meeting in Frankfurt



7. The ABA was invited by the Basel Committee's Task Force on Standardized Approaches (TFSA) to participate in the TFSA roundtable meeting held in Frankfurt on

February 24, 2015. The aim of the roundtable was to provide an opportunity for market participants to further elaborate and highlight key aspects of their comments on the proposed revisions to the standardized approach for credit risk.

8. ABA was one of the seven industry organizations from major regions around the world that were invited to participate in the Frankfurt meeting. Each invited organization was requested to bring up to 8 members to the meeting. A total of 7 representatives from 3 member banks formed the ABA delegation, including 3 from CTBC Bank, 1 from First Commercial Bank, and 3 from Bank for Foreign Trade of Vietnam.

9. During the roundtable meeting, which was held at the premises of the Federal Financial Supervisory Authority in Frankfurt, the ABA delegation presented its comments and recommendations on two subjects, namely, (a) Removal of Ratings (or Reduction of Reliance on External Ratings), and (b) Retail Exposure.

C. Promotion of the ABA Informal Workout Guidelines

10. Dr. Shinjiro Takagi, ABA's Consultant on the Promotion of the ABA Informal Workout Guidelines and Model Agreement, participated in the Annual Conference of the Inter-Pacific Bar Association (IPBA) – which consists of lawyers in Asia, Oceania, Americas, Europe and Africa - held on May 6-8 in Hong Kong. During the Conference, the Insolvency Committee of the IPBA held a session entitled “*Out-of-Court Workout in APEC Countries*”. Dr. Takagi chaired the session during which he discussed the ABA's Guidelines on Informal Workouts and Model Agreement.



11. Dr. Takagi held productive meetings with key officers and members of the bankers associations of Vietnam, Laos and Cambodia during which he introduced ABA's Guidelines on Informal Workouts and Model Agreement. He explained the

details of the two documents to bankers and other relevant parties and professionals. Before formally presenting the documents to the meeting participants, Dr. Takagi first conducted a dialogue with them on the current situation of non-performing loans of banks in their respective countries. The dialogue and the presentation were then followed by answer-and-question sessions. Dr. Takagi received encouraging feedback from the meeting participants, indicating the high level of interest among the bankers and financial authorities in the three countries on the informal workout issue. At the request of the host organizations, Dr. Takagi plans to conduct follow-up meetings in the near future.

D. ABA Position Papers and Reports

12. The ABA approved the issuance of the following position papers prepared and finalized by the ABA Policy Advocacy Committee during the latter's meeting on November 12, 2015 in conjunction with the 32nd ABA General Meeting and Conference in Taipei:

- a. *"More Inclusive Micro, Small and Medium Entrepreneur Financing for the Banking Sector Growth and Business Sustainability in Asia*
- b. *Current practices of Hatton National Bank in achieving transformational change through business process re-engineering initiatives*
- c. *Impacts of continuing changing regulations on financial institutions.*

13. In addition, the Policy Advocacy Committee at its Taipei meeting also considered reports on Cyber security and financial literacy, identifying possible areas of cooperation among ABA members in these two issues.

III. TRAINING PROGRAMS

A. Short-Term Visiting Programs



14. The Rizal Commercial Banking Corp. (RCBC) and Rizal Microbank, RCBC's microfinance arm, successfully conducted a two-day **Microfinance Appreciation Workshop** on **June 22-23, 2015** in **Makati City, Philippines**. The primary objective 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. The program consisted of lectures and discussions during the first day, and the second day included field visit to several microfinance clients of RCBC Microbank in Tanauan City, Batangas located one hour by bus south of Manila.



15. The Malayan Banking Berhad (Maybank) hosted a two-day visiting program in Kuala Lumpur on November 2-3, 2015. Senior officers and experts from Maybank shared with 24 representatives from 14 member banks from 10 countries the bank's practices and experiences in risk operations management, transaction banking, wealth management, compliance, marketing, and investment banking.



ABA-Endorsed Seminars and Conferences

16. Since the 31st ABA General Meeting and Conference held in November 2014, the ABA has agreed to be Supporting Partner of several conferences put together by various event organizers. These included: (a) *4th Annual Retail Banking Conference* organized by Fleming Gulf Conferences, a B2B conferences organizer, on February 4-5, 2015 in Kuala Lumpur, Malaysia; (b) *11th Annual Private Banking Asia 2015* organized by Terrapinn Pte Ltd, a business media company, on March 10-11, 2015 in

Singapore; (c) *BankTech Asia 2015* organized by Knowledge Group of Companies once every quarter in Kuala Lumpur, Malaysia; (d) *The Asian Bankers Summit 2015* held on April 14-16, 2015 in Hong Kong; (e) *Enterprise Risk Management 2015 Conference* organized by Pacific Conferences on May 11-12 in Singapore and on May 14-15 in Hong Kong; (f) *6th Asia Islamic Banking Conference* organized Fleming Gulf Conferences on August 12-13, 2015 in Kuala Lumpur; (g) *RiskMinds Asia 2015 Conference* organized by The International Centre for Business Information (ICBI) on October 12 – 15, 2015 in Hong Kong; (h) *4th Annual Finance Tech Innovation Forum – Organized by Questex Asia Limited* on November 5, 2015 in Singapore; and (i) *12th Annual Private Banking Asia 2016* organized by Terrapinn Pte Ltd, on March 2-3, 2016 in Singapore.



C. Accreditation of ABA as Guest Association at the 48th ADB Annual Meeting in Baku, Azerbaijan

17. Representatives from ABA member banks and the ABA Secretariat attended the 48th Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) held on May 2-5, 2015 in Baku, Azerbaijan, joining some 3,000 other delegates who participated in this year's gathering of the ADB. During the past eight years, the ADB has accredited the ABA as a Guest Association in the Annual Meetings of its Board of Directors: in Astana, Kazakhstan (2014); New Delhi (2013); Manila (2012); Hanoi (2011); Tashkent (2010); Bali (2009); Madrid (2008); Kyoto (2007); Hyderabad (2006); and Istanbul (2005).










18. In preparation for the Baku meeting, the ABA Secretariat provided assistance to member banks in arranging meetings with representatives of other member banks attending the ADB Meeting, as well as with the Azerbaijan Banks Association and the Azerbaijan Chamber of Commerce and Industry.

IV. MEMBERSHIP DRIVE

A. Admission of New Regular Members

19. Since the 50th ABA Board of Directors' Meeting held in November last year in Oman, the ABA has received five applications for Regular Membership – three from Iran, and one each from Taiwan and the United Arab Emirates (UAE).

The newly-admitted Regular Members are:

Iran	Tourism Bank	
	Sina Bank	
	Bank Hekmat Iranian	
Taiwan	E. Sun Bank	
UAE	National Bank of Abu Dhabi	

B. Prospective New Members

20. A number of banks have also been invited to join as members – four from China, one from Russia, and one from Vietnam – as follows:

China	Huishang Bank Corp. Ltd.	 ank HUI SHANG BANK
	China Everbright Bank	 中国光大银行 CHINA EVERBRIGHT BANK
	Evergrowing Bank	 恒丰银行 EVERGROWING BANK
	China Development Bank	 国家开发银行 CHINA DEVELOPMENT BANK
Russia	VTB Bank	 VTB
Vietnam	Sovico Holdings	 SOVICO HOLDINGS

21. The Secretariat has sent membership applications to the above-mentioned banks, and is now waiting for them to submit them back.

V. 32nd ABA GENERAL MEETING AND CONFERENCE

22. Over 250 bankers from 23 countries in Asia-Pacific, the Middle East, and other regions, composed mainly of members of the Asian Bankers Association (ABA) led by ABA Chairman **Mr. Daniel Wu**, President of CTBC Financial Holding Co. from Taiwan, gathered in Taipei on November 12-13, 2015 for the 32nd ABA General Meeting and Conference. Co-hosted by CTBC Bank and The Bankers Association of the Republic of China (BAROC), this year's gathering of the region's banking leaders was held at Grand Hyatt Taipei.



23. Focusing on the theme **“Asian Banks: Growing Beyond Borders”**, the ABA Conference this year discussed what Asian banks need to do to successfully expand from their domestic borders into the regional and international markets. Experts from both the private and the public sectors shared their views on the importance for banks to gain a deeper understanding of market trends and customer demands; to be more outward-looking and focused on the market; to respond smartly and speedily to change; and to

understand what drives cost and what drives value. Discussions also focused on the need to empower customers with technology, and for banks to reduce costs, improve service quality and put power into the hands of their customers through innovative deployment of technology.

24. Invited to deliver the Special Address during the Opening Ceremony of the Conference was the President of the Republic of China, Mr. Ma Ying-Jeou. ABA Chairman Mr. Daniel Wu, who is also President of CTBC Financial Holding, gave his Opening Remarks, while Dr. Catherine Jih-Chu Lee, BAROC Chairperson and Chairperson of Taiwan Financial Holdings and Bank of Taiwan, delivered her Welcome Remarks. Featured as Keynote Speaker was Mr. Richard Koo, Chief Economist at the Nomura Research Institute.



25. During the various Conference sessions, other eminent speakers from both government and the private sector shared their views and insights on the following topics: (a) *Regional Integration: Implications for Asian Banks*; (b) *Managing a Multi-cultural and Multi-Generational Customer Base*; (c) *Going Digital: Pursuing Global Opportunities Through Technology*.



26. As in previous years, the ABA Taipei Conference also included:

(a) **CEO Forum**, which featured eminent panelists who were requested to share their views on key issues affecting global, regional and local markets;



(b) **“Discover ABA” session** which featured country presentations by selected ABA member banks on the economic conditions and current developments and growth prospects in the banking and financial markets of their respective countries, as well as on a topic of their choice. The country presentations were on Hong Kong, Singapore, Qatar, Turkey, Russia, and Taiwan; and



(c) **Host Bank session on “The Augmented Age: Disrupting Experience and Advice”** which was organized by the CTBC Bank and featured Mr. **Brett King**, Founder and CEO of Movenbank, a mobile financial service provider operating in the United States.



VII. ABA LIFETIME ACHIEVEMENT AWARDS

27. An important highlight of the Taipei gathering was the presentation of the **ABA Lifetime Achievement Awards** to four members who have served as strong pillars of the Association over the past years. Presented during the Farewell Dinner on November 13, the Awards were given to the four distinguished members in recognition of their continued long involvement in the ABA, their unwavering commitment to the objective of the Association of bringing bankers in Asia together to promote regional cooperation and to further advance the interest of the region’s banking sector, and their important contribution to the banking industry in their respective countries. The recipients of the prestigious Award were the following:

Dr. Amnuay Viravan, who served as ABA Chairman from 1986 to 1988 during his term as Chairman of Bangkok Bank PCL Ltd.



Dr. Mochtar Riady, who served as ABA Chairman from 1992 to 1994 during his term as Chairman of the Lippo Banking Group of Indonesia



Dr. David K. P Li, Chairman and Chief Executive of The Bank of East Asia Ltd. of Hong Kong, who served as ABA Chairman from 1994 to 1996



Amb. Alfonso Yuchengco, Honorary Chairman of the Rizal Commercial Banking Corp. from the Philippines, who served as ABA Chairman from 2002 to 2004



VIII. MOU SIGNING

28. The ABA signed a Memorandum of Understanding (MOU) with the Vietnam Banks Association (VNBA) outlining possible areas of cooperation between the two organizations. ABA Chairman Mr. Daniel Wu and VNBA Chairman Mr. Nghiem Xuan Thanh signed the MOU at the start of the 51st ABA Board of Directors' Meeting held on November 12, 2015.



IX. VENUE OF THE 2016 ABA CONFERENCE

29. The ABA agreed to hold its 33rd ABA General Meeting and Conference in 2016 in Vietnam, with the The Bank for Foreign Trade of Vietnam (Vietcombank) as host organization. A meeting of the ABA Planning Committee will be held in early 2016 in Vietnam to discuss preparations for the Conference, including the exact venue, dates, theme and topics, and speaker line-up.

