The Asia Program aims to facilitate the exchange of ideas on Asian banking and financial developments in support of the Federal Reserve Bank of San Francisco’s supervisory and research efforts related to Asia. In 2014, the Asia Program, implemented by the Country Analysis Unit (CAU), brought together market participants, academics, regulators, and business and community leaders from Asia, the United States, and Europe to discuss current issues in global banking and finance.

This brief report highlights CAU activities throughout the year. Further details on publicly available programs and publications are available at: http://www.frbsf.org/banking-supervision/programs/asia-program/.

2014 SYMPOSIUM ON ASIAN BANKING AND FINANCE


Symposium participants discussed the implementation of banking regulatory standards, specifically the responsibilities of regulators, financial institutions, and various stakeholders in meeting macro-prudential regulatory challenges; recovery and resolution planning; governance and risk management, and potential unintended consequences of new regulatory standards.

Main themes and concerns that emerged from the Symposium included: recommendations for a robust global dialogue to implement regulatory and supervisory reforms; concerns that Asian regulators and bankers are not adequately represented in G20 discussions and other international fora; an endorsement for more tailored implementation of regulatory models to suit the unique characteristics of different markets; and the highlighting of emerging concerns that include the unintended consequences of regulation and management of systemic risk.

http://www.frbsf.org/banking-supervision/programs/asia-program/
The Asia Financial Forum (AFF) series is part of the bank’s outreach to the broader business and banking community. The AFFs are often held in conjunction with partner programs, such as the Asia Society of Northern California and the Financial Women of San Francisco.

CAU’s first AFF of the year was entitled, “Forecasting China: Trends in the Economy and Finance,” where a panel of experts from Fitch Ratings shared their insights on banking sector performance, the government’s structural reform plans for the economy, emerging risks, and rising corporate leverage in China.

Continuing the macro-economic discussion, at the AFF entitled “Demystifying China,” Andy Rothman, Investment Strategist at Matthews International Capital Management, LLC, gave his observations on the dramatically changing landscape in China, including entrepreneurial activity, stability and growth in property markets, and challenges and risks in its banking system.

Increasing use of digital technology in China, along with its implications for economic growth in China as new markets are created in finance and e-commerce, was the theme of the AFF entitled “Digital Revolution in China.”

The final AFF of the year was “Markets Over Mao: The Private Sector, the State and the Future of China’s Economy,” featuring Nicholas Lardy, Senior Fellow at the Peterson Institute for International Economics and board vice chair of the National Committee on U.S.-China Relations. Lardy discussed the role of private business in the rapid rise of China, and how that would shape the outlook for economic growth and reform over the next decade.

CAU provides periodic written analyses of current economic and financial sector developments in the Asia-Pacific region in our Asia Focus series. Reports issued in 2014 include Priority Sector Lending in Asia and China’s Interest Rate Liberalization Reform.

Asia Focus is available online at: http://www.frbsf.org/banking-supervision/publications/asia-focus/.

Presentations and Other Events

During 2014, CAU and BS&R continued to contribute their supervisory expertise by participating in international banking and supervision programs.

In July 2014, CAU Senior Analyst Cindy Li updated a group of high-level international regulators on shadow banking issues at a meeting on financial system vulnerability organized by the Financial Stability Board in Madrid, Spain.

David Doyle, BS&R Credit Risk Coordinator, participated as a co-instructor for the Federal Reserve System’s Credit Risk Analysis Seminar hosted by the Bank of Thailand under the APEC Financial Regulators Training Initiative in September 2014 in Bangkok, Thailand.

Walter Yao, Director of the Foreign Institutions Group, which oversees the CAU, was a keynote speaker at the Taiwan Academy of Banking and Finance Conference in Taipei.

In November 2014, Mei Lim, BS&R Senior Risk Specialist, presented The Asian Banker’s webinar on “Fundamentals of Internal Audit,” discussing the Federal Reserve System’s new guidance on the internal audit function.