

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 (FRBSF) supervisory and research efforts related to Asia. In 2015, the Asia Program, under 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. CAU also contributes to diverse academic and professional forums on banking, capital markets, regulatory issues, and other developments in Asia.

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/>.

2015 SYMPOSIUM ON ASIAN BANKING AND FINANCE



John C. Williams, President and CEO, FRBSF, and Ravi Menon, Managing Director, MAS

On May 28 and 29, 2015, the FRBSF and the Monetary Authority of Singapore (MAS) jointly held the ninth Symposium on Asian Banking and Finance, entitled **The Evolving Reform Agenda: Building Resilience, Supporting Growth** in Singapore. This was the first time that the FRBSF held the Symposium in Asia, co-hosted with an Asian central bank.

Symposium participants discussed the development of a resilient financial system capable of supporting the next phase of growth in Asia and the global economy. The consequences of the Global Financial Crisis highlighted Asia's real and potential contribution to



Panel on the Evolution of Financial Supervision: Ravi Menon; Zeti Akhtar Aziz, Governor, Bank Negara Malaysia; and Norman Chan, Chief Executive, Hong Kong Monetary Authority



Teresa Curran, Senior Vice President & Director, Financial Institution Supervision and Credit, FRBSF, and Ong Chong Tee, Deputy Managing Director, Financial Supervision, MAS.



Panel on Culture and Ethics in Finance: Teresa Curran; Go Watanabe, CEO, Bank of Tokyo-Mitsubishi UFJ Asia & Oceania; Teo Swee Lian, Special Advisor to the Managing Director, MAS; Jaspal Bindra, CEO Asia, Standard Chartered Bank; and Julie Dickson, Member of the Supervisory Board, Single Supervisory Mechanism, European Central Bank

global financial stability and sustainability. Furthermore, as the Asian financial sector expands and integrates with the global financial system, regulators continue to strengthen cooperation and improve the mutual understanding of their financial and banking systems.

Bringing together central bank governors, heads of financial supervision, notable academics, and CEOs of major global financial institutions, the Symposium continues to serve as an important platform for stakeholders to exchange perspectives and foster a more collaborative and consultative dialogue on global regulatory reforms and financial developments with a focus on Asia's contribution. The 2016 Symposium returns to San Francisco, once again with MAS joint sponsorship, to consider the goal of financial stability and how regulation, policy, innovation, and technology will help achieve that objective.

PACIFIC EXCHANGE BLOG

In June 2015, CAU launched the *Pacific Exchange*, a new blog focused on financial and banking developments in Asia. The blog provides timely analysis on the most important trends in the Asia Pacific in a format accessible to a broad audience. It covers a variety of topics, highlighting important regulatory developments in the region, analyzing newly available data, linking to new and interesting research in the field, and publicizing events and reports produced by our analysts. The blog has quickly become a popular resource on the FRBSF website. Some of this year's posts include:

- Asia is the New Engine of Growth in the Shadow Banking System
- Not All NPLs Are Created Equal
- China's New Normal Is in the Making
- The Speed and Trajectory of Household Debt in South Korea
- Why We Shouldn't Invoke Japan's "Lost Decade" as China's Future

The *Pacific Exchange Blog* is online at: <http://www.frbsf.org/banking/programs/asia-program/pacific-exchange-blog/>.

ASIA FOCUS



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 2015 include:

- Non-Banks and Retail Payments: Innovations in China and the United States
- The Rise of Asian Sovereign Wealth Funds
- Burma – Paving the Road to a Modern Banking System
- Balancing the State and the Market: Banking Reform in China and Vietnam

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

ASIA FINANCIAL FORUMS

The *Asia Financial Forum* (AFF) series is part of the bank's outreach to the broader business and banking community. These luncheon talks are often held with a wide range of partner programs.

The first AFF of the year co-hosted with the Asia Society of Northern California was entitled, "**China's Global Role**," and held in both San Francisco and Los Angeles. Given the inherent impact of China's economic growth on global economic stability, a panel of experts discussed the macroeconomic trends and future prospects in China.

In "**China and India: A Tale of Two Giant Economies**," Dr. Komal Sri-Kumar of Sri-Kumar Global Strategies, Inc. discussed the contrasting paths that China and India have undertaken to develop their economies.

The next two AFFs looked at Japan's banking strategies and economic reform. "**Japan Goes Out: The Recovery and Expansion of Japan's Financial Sector Overseas**" with Ken Takamiya of Nomura Securities Co., Ltd. explored how Japanese banks have become the world's most active financial players seeking greater yields in Emerging Asia and North America and the associated risks and governance requirements. "**Firing the Fourth Arrow**:"

The Private Sector and the Future of Japan" with a panel from McKinsey & Company looked at how Japan's corporate sector can take the lead and fire a "fourth arrow" of reforms to spur Japan's economic prospects.



Sean Creehan, CAU Supervisory Analyst, FRBSF, moderating a discussion with Michael Chui, Partner, McKinsey Global Institute and Tasuku Kuwabara, Partner, McKinsey & Company

The final AFF of the year was "**After the Fall: The Path Forward for China's Stock Market and Economy**," Andy Rothman of Matthews Asia. Despite China's economic turmoil, he argued that recent events are stumbles along the path from an economy increasingly "rebalanced" with ongoing reforms and restructuring.

For upcoming events, please visit: <http://www.frbsf.org/banking-supervision/programs/asia-program/events/>.