

## Press release

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Ref no: 35/2008E

16 December 2008

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### **Financial Stability Forum concludes fifth Asia-Pacific regional meeting**

The Financial Stability Forum (FSF) has just concluded its fifth regional meeting in the Asia-Pacific region, held over the past two days in Hong Kong SAR. Senior representatives from finance ministries, central banks and supervisory and regulatory authorities of ten FSF member economies and seven regional non-member economies attended the meeting.

Participants exchanged views on current conditions in financial markets and efforts to contain the crisis. Financial systems in the Asia-Pacific region have been broadly resilient to the crisis – largely because Asian banks were less dependent on wholesale funding and less exposed to problem assets. Nevertheless, a number of strains have become apparent in the past few months. The financial turmoil and the global economic slowdown have affected capital flows, export demand and financing availability (including trade finance), and are starting to impact the real economy and financial institutions in the region. In this context, it is essential that credit flows to the economy be maintained.

Concerning authorities' responses, participants emphasized the need to supplement liquidity and capital support with measures that address the overhang of distressed assets as well as through fiscal stimulus packages to boost domestic demand. To increase policy effectiveness, participants highlighted the benefits of a broadly co-ordinated approach to the design and implementation of policy responses including, in due course, exit strategies.

Considering ways to build a stronger financial system, and in line with the G20 Leaders' declaration at the Summit on Markets and the World Economy, participants took stock of work underway and priorities in fulfilling the G20 Action Plan. They discussed progress with enhancing financial reporting and transparency, strengthening the Basel II capital framework, addressing pro-cyclicality, and regulating and overseeing credit rating agencies. Participants also discussed reform agendas in national regulatory systems and options for reinforcing international co-operation, including through supervisory colleges and co-operation in crisis management, as well as efforts to promote integrity in financial markets.

The FSF and meeting participants thanked the Hong Kong Monetary Authority for its hospitality in hosting the meeting. They looked forward to the next meeting in the region.

A list of institutions that attended the meeting is attached.

**About the FSF:** The FSF brings together national authorities responsible for financial stability in significant international financial centres, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. It was established by the G7 finance ministers and central bank governors in 1999 to promote international financial stability through enhanced information exchange and international co-operation in financial market supervision and surveillance. The FSF is chaired by Mario Draghi, Governor of the Bank of Italy. The FSF Secretariat is based at the Bank for International Settlements in Basel, Switzerland. For further information on the FSF, its membership and previous FSF meetings, visit the FSF website at [www.fsforum.org](http://www.fsforum.org).

# FINANCIAL STABILITY FORUM

## ***Institutions and groupings attending the FSF regional meeting***

Hong Kong, 15–16 December 2008

**Chairman, Mr. Mario Draghi**

### **Australia**

Australian Treasury  
Reserve Bank of Australia  
Australian Securities and Investments Commission

### **Canada**

Department of Finance  
Bank of Canada  
Office of the Superintendent of Financial Institutions

### **China**

People's Bank of China  
China Banking Regulatory Commission  
China Securities Regulatory Commission

### **France**

Ministry of the Economy, Finance and Employment  
Banque de France  
Autorité des Marchés Financiers

### **Germany**

Deutsche Bundesbank

### **Hong Kong SAR**

Hong Kong Monetary Authority  
Securities and Futures Commission

### **India**

Ministry of Finance  
Reserve Bank of India  
Securities and Exchange Board of India

### **Indonesia**

Capital Market and Financial Institutions Supervisory  
Agency

### **Italy**

Ministry of the Economy and Finance

### **Japan**

Ministry of Finance  
Bank of Japan  
Financial Services Agency

### **Korea**

Ministry of Strategy and Finance  
Bank of Korea  
Financial Services Commission  
Financial Supervisory Service

### **Malaysia**

Securities Commission

### **New Zealand**

Reserve Bank of New Zealand  
Securities Commission

### **Singapore**

Monetary Authority of Singapore

### **Thailand**

Bank of Thailand

### **United Kingdom**

HM Treasury  
Bank of England  
Financial Services Authority

### **United States**

Department of the Treasury

### ***International Financial Institutions***

Bank for International Settlements  
International Monetary Fund  
Organisation for Economic Co-operation and  
Development  
The World Bank

### ***International Regulatory and Supervisory Groupings***

Basel Committee on Banking Supervision  
International Association of Insurance  
Supervisors  
International Organization of Securities  
Commissions

### ***Regional Financial Institutions***

Asian Development Bank