Message from the ABA Chairman

As Chairman of the Asian Bankers Association (ABA) and as your fellow banker, I would like to cordially extend my personal invitation to you and your bank to participate in the upcoming 36th ABA General Meeting and Conference scheduled to take place on November 14-15, 2019 in Makati City, Philippines.

To be hosted by the Philippine National Bank (PNB) at the Makati Shangri-la Hotel, this year's Conference will focus on the theme "Reshaping the Asian Financial Landscape". The two-day event will bring together experts from across the region to discuss and exchange views on the current trends and developments impacting the banking and financial sector. Representatives from the banking sector, government regulators, multilateral and regional organizations, and the academe have been invited to share their views on timely and highly relevant topics, including: (a) Global Economic Outlook: What Lies Ahead for Asian Banks; (b) Financial Inclusion: Banking the MSMEs; (c) Is Asia Ready to Go Cashless?; and (d) Role of the Regulator in Developing an Effective Digital Ecosystem.

In addition, we will be holding the 57th ABA Board of Directors' Meetings to discuss ABA policies and programs and how to effectively implement them to serve the best interest of our members. The agenda materials for the Board meeting will be sent to you in due course.

I therefore hope you can join us for this year's Conference and for the 57th ABA Board of Directors' Meeting. With this year's gathering expected to bring together over 200 banking leaders from at least 25 countries in the Asia-Pacific region, we hope that the Conference will not only be a great learning experience for the participants but will also be of commercial interest to them.

Thank you, and I look forward to seeing you in Makati, Philippines in November.

ABA
ASIAN BANKERS ASSOCIATION

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General Meeting and Conference

Registration ongoing for the 36th ABA General Meeting and Conference

Registration is ongoing for the 36th ABA General Meeting and Conference to be hosted by the Philippine National Bank (PNB) on November 14-15, 2019 in Makati City, Philippines.

Registration and other conference-related information are available online at https://www.aba2019.com.ph

Focusing on the theme "Reshaping the Asian Financial Landscape," the Conference will feature four plenary sessions:

- Global Economic Outlook: What Lies Ahead for Asian Banks
- Financial Inclusion: Banking the MSMEs
- Is Asia Ready to Go Cashless?
- Role of the Regulator in Developing an Effective Digital Ecosystem

Plenary Session One- Global Economic Outlook: What Lies Ahead for Asian Banks

According to the latest report of the World Bank Group, global growth is expected to slow to 2.9% in 2019. International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging market and developing economies has lost momentum and is projected to stall at 4.2% this year, with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. Downside risks have become more acute. Financial market pressures and trade tensions could escalate, denting global activity

Meanwhile, the latest ADB Report projects growth in developing Asia to soften to 5.7% in 2019 and 5.6% in 2020. Excluding Asia's high-income newly industrialized economies, growth is expected to slip from 6.4% in 2018 to 6.2% in 2019 and 6.1% in 2020. In light of stable commodity prices, inflation is anticipated to remain subdued at 2.5% in both 2019 and 2020. The ADB sees risks to remain tilted to the downside. A drawn-out or deteriorating trade conflict between China and the United States could undermine investment and growth in developing Asia. With various uncertainties stemming from US fiscal policy and a possible disorderly Brexit, growth in the advanced economies could turn out slower than expected, undermining the outlook for China and other economies in the region.

This session will examine key factors shaping the global economy in the year ahead, the risks and opportunities offered by these factors, and what their implications are for banks and their business strategies.

Invited Speakers:

§ Priyanka Kishore, Head India and South East Asia Economics, Oxford Economics

§ Mr. Chikahisa Sumi, Director, Regional Office for Asia and the Pacific, IMF (To be confirmed)

Invited Panelists:

§ Paul Tang, Chief Economist, Economic Research Dept., Strategic Planning & Control Division, The Bank of East Asia, Ltd

§ Reza Y. Siregar, Head of ASEAN & India Research, Institute of International Finance Asia Pacific Ltd (To be confirmed)

§ Elsie Pan, Director, Financial Services Advisory, Pricewaterhouse Coopers

Invited Session Chairman:

§ Wolfram Hedrich, Partner at Oliver Wyman and Executive Director at Marsh & McLennan Companies Asia Pacific Risk Center

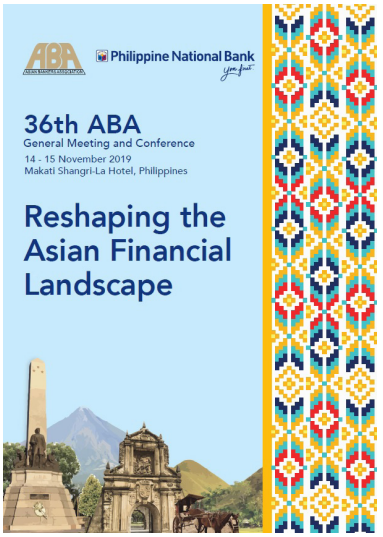
Plenary Session Two- Financial Inclusion: Banking the MSMEs

In the rapidly changing Asian economic environment, micro and small and medium enterprises (MSMEs) are acknowledged to be crucial for the growth and development of every country in Asia, both developing and developed. Every year in Asia, over 20 million micro and small businesses are emerging, with each one having fewer than five employees.

Providing financial services, solutions and products to the MSME sector offers a big business opportunity to banks and financial institutions in Asia. Achieving business

General Meeting and Conference

sustainability of the next generation of banking depends on how fast the banking industry assess the financial needs of this sector and how rapidly they can evolve the appropriate products and solutions. The next generation of young entrepreneurs – including women - would emerge from the MSME sector. The technology-savvy young entrepreneurs would enrich the banks in the future, if the banking and finance solutions are made available, accessible and affordable at micro, small and medium levels.



This session will examine how banks can harness technology for deeper and wider financial inclusion, how the banking industry can capture the opportunity offered by blossoming needs of young technology savvy entrepreneurs in the MSME sector with their innovative ideas and business solutions, how governments in the region can put in place much-needed legal framework and regulatory mechanisms to facilitate the empowerment of MSMEs, and how, in light of the huge potential offered by the MSME sector to the future of the banking industry in Asia, banks need to initiate more holistic and inclusive institutional linkages and partnerships to make MSMEs commercially sustainable and bank ready for long journey with the banks.

Invited Speakers:

§ Isaku Endo, Senior Financial Sector Specialist, Finance, Competitiveness and Innovation, The World Bank

Invited Panelists:

§ Eugene S Acevedo, President and Chief Executive Officer, Rizal Commercial Banking Corporation

§ Pia Roman-Tayag, Managing Director, Center for Learning and Inclusion Advocacy, Bangko Sentral ng Pilipinas

§ Corazon Conde, Head, Consulting Group, Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

Invited Session Chairman:

§ John Berry, Special Adviser, EFMA

Plenary Session Three- Is Asia Ready to Go Cashless?

Asia's rapidly rising Internet and smartphone penetration means that cashless solutions will make a significant impact on the region's financial ecosystem. With the proliferation of mobile options, Asia with its digitally savvy population and high proportion of millennials is increasingly replacing wallets with smartphones. This has allowed countries in the region to leapfrog from cash to digital payments, bypassing traditional banking and helping many to gain access to financial services for the first time.

This session will feature speakers who will share their views on the benefits of this trend and their implications for society and investment opportunities (in terms, for instance, of better customer experiences, higher operational efficiency for businesses, and financial inclusion of previous un- and underbanked people) on one hand, and the costs which should not be overlooked such as the loss of privacy and the risk of fraud of cybercrime, on the other; what governments in the region are currently doing to enable them to rapidly advance towards the use of electronic cash as part of their pursuit of a digital economy; and whether Asia is ready to become a truly cashless society in the foreseeable future.

Invited Speakers:

§ Nauman Bashir, Head of Digital Banking, Standard Chartered Bank (To be confirmed)

§ Shrikant Patil, Associate Partner, Digital, Technology and Analytics, Oliver Wyman (To be confirmed)

Invited Panelists:

§ Anthony Thomas, President and CEO, Globe Fintech, Innovations, Inc., Mynt

§ Tan Tse Koon, Managing Director – Singapore Country Head, DBS Bank

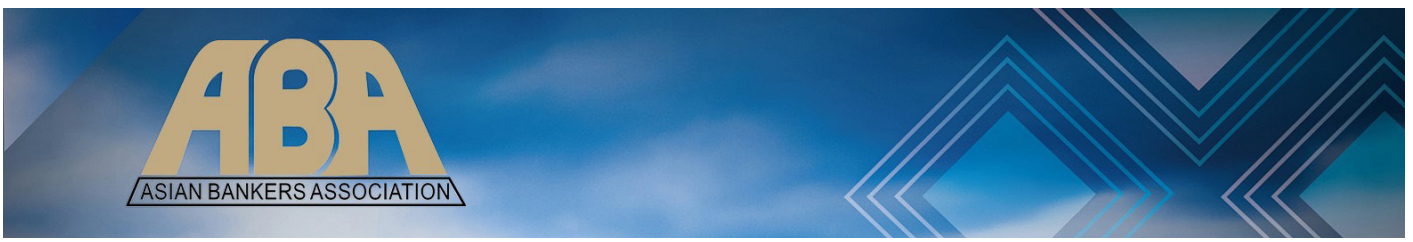
§ Rudy Lim, Head of Fintech, DBS Bank, Singapore (To be confirmed)

Invited Session Chairman:

§ Marcus H. Langston, Regional Head – Asia, Euromoney and Asiamoney

Plenary Session Four- Role of the Regulator in Developing an Effective Digital Ecosystem

The digital revolution is transforming the competitive landscape in financial services, with both processes and products undergoing digitalization. In Asia, the rise of digital banking has



General Meeting and Conference

been attributed to the presence of a much stronger ecosystem to enable digital banking, which includes the rapid increases in Internet and smartphone adoption and growth in e-commerce, resulting in the demand for digital banking moving from early adopters to a broad range of customers. Digital banking has provided multiple delivery channels for the service industry, improving the efficiency of operations and reducing the cost of doing business.

While digital banking can yield a number of benefits from big data analysis for customers and new business opportunities for banks, the dependence on technology for providing the services with the necessary security and the cross-border nature of transactions, involve additional risks for banks and new challenges for banking regulators and supervisors.

This session will examine various issues resulting from the development of digital banking and how they are currently being addressed by the banking sector and, more importantly, by regulatory and supervisory authorities. Discussions will, among others, focus on the issue of how financial regulators can encourage financial innovation while containing the risks associated with these new technologies, ensuring to continually set in place regulations that strike a balance between rapid change, consumer protection, and financial stability; as well as on the need to expand the current set of reforms and increase regional and international collaboration as risks become more cross-border in nature.

Invited Speakers:

- Chuchi Fonacier, Deputy Governor, Financial Supervision Sector, Bangko Sentral ng Pilipinas
- Dr. Shahab Javanmardy, CEO, FANAP Holding Company (Topic: How RegTech could shape and accelerate digital ecosystem establishment)

Invited Panelists:

- H. E. Chea Serey, Assistant Governor and Director, General of Central Banking, National Bank of Cambodia (To be confirmed)
- Sagar Sarbhai, Head of Regulatory Relations for Asia Pacific, Ripple (To be confirmed)
- Subas Roy, Partner, Digital Technology and Operations, and Finance and Risk Practice, Oliver Wyman, and Chair of the International RegTech Association (To be confirmed)

Members are encouraged to register early. For inquiries, please reach out to us by email at aba@aba.org.tw or visit the conference website.

About the host bank

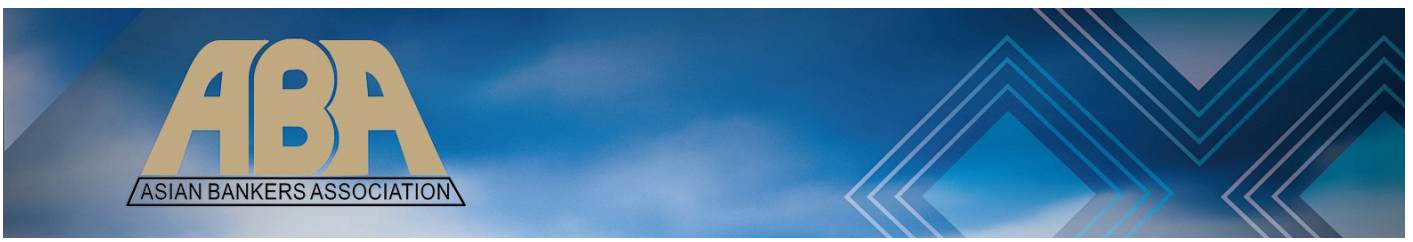
Philippine National Bank (Philippine Stock Exchange: PNB) is one of the Philippines' leading private universal banks in terms of assets. In July 2016, PNB celebrated its centennial year with the theme, "A Century of Excellence", signifying a meaningful milestone for an organization that has served generations of Filipinos. PNB stands proud as an institution that offers stability and security for many Filipinos.

PNB's principal commercial banking activities include deposit-taking, lending, trade financing, foreign exchange dealings, bills discounting, fund transfers/remittance servicing, asset management, treasury operations, comprehensive trust services, retail banking and a host of other financial solutions. Through its subsidiaries and affiliates, the Bank has full banking services in China and the United Kingdom; banking services in Hong Kong; and a number of diversified financial and related businesses.

In April 2018, PNB issued USD300 million in Fixed Rate Senior Notes under its Medium Term Note (MTN) Programme, the Bank's debut issuance in the international debt markets. There was strong demand for the offering which reached approximately USD1.2 billion at its peak, equivalent to an oversubscription of 4x the issue amount. The Notes, rated Baa2 by Moody's, were issued at a price of PHP 99.532 per 100 with a coupon rate of 4.25% per annum and a tenor of five years and one day.

In September 2018, the Bank disclosed its integration with its wholly-owned thrift bank subsidiary, PNB Savings Bank (PNBSB). The integration highlights PNB and PNBSB's aim to strengthen its consumer and SME business, and improve synergy of its branch networks. With the integration, PNB now has a total domestic footprint of 711 branches and more than 1,400 ATMs strategically located nationwide. The Bank maintains its position as the Philippine bank with the most extensive international reach with more than 70 overseas branches, representative offices, remittance centers and subsidiaries across Asia, Europe, the Middle East, and North America.

Backed by a legacy of service excellence, PNB is poised to move forward to become a more dynamic, innovative, and customer-focused bank – a dependable financial partner of Filipinos all over the world.



News Update

Asian Factories Lashed by Trade Wars, Slowing Demand in August

By Leika Kihara, Reuters

- *China manufacturing unexpectedly expands but orders remain weak*
- *Japan factory activity falls for 4th month*
- *Diplomatic row with Japan weighs on S.Korean factory activity*
- *Japan, South Korean central banks under pressure to ease more*

The bitter trade war between China and the United States kept Asian factory activity mostly in decline in August, business surveys showed, strengthening the case for policymakers to unleash fresh stimulus to fend off recession risks.

In a surprise development, China's factory activity unexpectedly expanded in August as output edged up, a private sector purchasing managers' index (PM) showed on September 2, but orders remained weak and business confidence faltered.

Export-reliant South Korea, Japan and Taiwan also saw factory activity shrink, underscoring the growing pain from the tit-for-tat tariff war between the world's two-largest economies.

"The broader picture for Asian exports remains very weak because of the impact of the U.S.-China trade war, which is continuing to escalate," said Rajiv Biswas, Asia Pacific chief economist at IHS Markit.

In a fresh escalation of trade tensions, the United States began imposing 15% tariffs on a variety of Chinese goods on September 1. China reciprocated with new duties on U.S. crude oil.

In China, the Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) for August rose to a five-month high of 50.4 from 49.9 in July, beating a median market forecast and exceeding the 50-point level that separates contraction from growth on a monthly basis.

The reading followed Beijing's official PMI that showed factory activity shrank in August for the fourth month in a row, pointing to a further slowdown in the world's second-largest economy.

India, another Asian economic power-house, saw the slowest expansion in its manufacturing sector in 15 months as demand and output grew at their weakest pace in a year.

Data on August 30 showed India's economic growth hit a 6-year low in April-June, raising chances of the central bank cutting interest rates further at its next meeting.

GLOOM MAY HIT SERVICES

Elsewhere in Asia, Japanese manufacturing activity fell for a fourth straight month in August, underlining a darkening outlook for the world's third-largest economy.

While Japan's exports slipped for an eighth month in July due to slumping China-bound sales, the economy has so far enjoyed steady growth thanks to robust domestic demand.

But there are signs the economy may start to lose the support from consumption and capital expenditure.

Manufacturers surveyed in the PMI data said the end of a construction spike ahead of the 2020 Tokyo Olympic Games and a scheduled sales tax hike in October are expected to hurt output volumes the coming months.

Any further sign of weakness in domestic demand could add pressure on the Bank of Japan to ramp up stimulus at its rate review on Sept. 18-19, which follows the European Central Bank's rate decision and that of the U.S. Federal Reserve.

"The U.S.-China trade war is escalating and we're also seeing tensions heighten between Washington and Europe," which could cause the global economy to falter, said Yoshimasa Maruyama, chief market economist at SMBC Nikko Securities.

"Japan may slide into recession around the time the sales tax hike takes effect," he added.

South Korean's factory activity also shrank as manufacturers felt the pinch not just from the U.S.-China trade war but an escalating diplomatic dispute with Japan.

The country's exports tumbled in August for a ninth straight month on sluggish demand from its biggest buyer, China, and depressed prices of computer chips globally.

The bleak data strengthened the case for additional policy easing by South Korea's central bank, following a surprise interest rate cut in July.

"The simple message is number one, the U.S. and China are at logger heads, and China is already proactively responding and basically started to divorce itself from the regional supply chain," said Michael Every, senior Asia-Pacific strategist at Rabobank.

"Eventually the service sector will be dragged down by the manufacturing sector."

Asia-Pacific Syndicated Loans at Seven-Year Low

Syndicated loans in the Asia-Pacific have fallen this year to their lowest level in seven years as dealmaking activity has been hit by global political uncertainty and volatile financial markets.

The drop in such loans adds to the pressure on commercial banks whose lending books already face competition from low bond yields, amid increases in their own funding costs from regulatory changes.

Banks in the region have lent a total of US$281 billion (S$391 billion) so far this year via syndicated loans - where a handful of banks take the initial loan before other institutions join and widen the lending pool - according to data from Refinitiv.

That is down nearly 20 percent on the same period last year, when US$348.3 billion worth of such loans were made, and is the lowest since the US$227 billion loaned in 2012. These loans are typically used for large deals or projects where the funding needed is too great a risk for a single bank to take on.

"The latest lending data suggests businesses and investors are sitting on their hands rather than engaging in activity that needs debt financing," said KPMG Australian chief economist Brendan Rynne.

"The likely reason for this is the high level of uncertainty the world is currently facing. The geopolitical ring of fire is hotter than it has been for some time," Dr Rynne said.

The value of announced merger and acquisition (M&A) deals involving Asia-Pacific companies reached US$634.2 billion in the first eight months of the year, down 35.2 percent compared with the same period last year, and the lowest volume since 2014, according to Refinitiv.

Bank of China remained the most active bank in the region as it arranged US#30.6 billion worth of new loans in the past eight months. Photo: REUTERS

Bank of China remained the most active bank in the region as it arranged US$30.6 billion worth of new loans in the past eight months, but that amount was down from US$50.1 billion by this point last year.

HSBC was second, having been involved with US$17.9 billion of loans, compared with US$14.4 billion last year. China's Bank of Communications' share also grew sharply to US$15.8 billion in the past eight months, from US$2.6 billion in the same period last year.

A US$11.6 billion refinancing by CK Hutchison Holdings was the largest syndicated deal so far this year. The transaction, led by Citigroup and HSBC, was to refinance a bridging loan held by its Italian telecommunications unit Wind Tre.

"A range of factors have impacted loan volumes, including subdued M&A activity, which is partially due to the increasing trade war rhetoric, curtailed offshore acquisition activity among Chinese firms and volatile investment markets," said Mr Mahendra Kumar, Deutsche Bank's head of loan origination in Asia.

"With volatility in the bond markets, we expect borrowers to move back some of the flow transactions to the loan markets after a prolonged bull run in Asian high yield."

Straits Times

Training & Education

ABA Short-Term Visiting Program to Maybank set on October 1-2 in Selangor

The Asian Bankers Association is inviting bank officers to participate in the short-term visiting program that the Malayan Banking Berhad (Maybank) will host on October 1-2, 2019.

The primary objective of ABA's short-term visiting program is to provide member banks the opportunity to study and undergo training on specific aspects of the operations and facilities of an advanced banking organization such as Maybank.

The idea is to enable the visitors to: (i) enhance and upgrade their technical skills and knowledge in specific banking areas in the distinct and peculiar social, economic and business environment of the host country, and (ii) gain first-hand knowledge of the operations, systems and work procedures of the host bank's various line departments.

The Maybank Program in October is being organized by the Maybank Group Human Capital and plans to cover (1) Maybank's Introduction; (2) Succession & Talent Development; (3) Learning & Development; (4) Workplace futurization in Maybank; (5) Six Future Ready Skills areas for today & tomorrow; and (6) Agility @ work.

This year's Program follows the highly successful and well-received Maybank's programs held in 2014, 2015, 2017 and 2018.

NO PARTICIPATION FEE

There is no participation fee. However, participants shall cover their airfare and hotel accommodation.

PROPOSED VENUE

The two-day Maybank Program will take place at the Maybank Academy at Jalan Ayer Itam 43000 Bangi Kajang Selangor in Malaysia.

REGISTRATION

To register, please contact the ABA Secretariat at aba@aba.org.tw

Member Personality

ABA welcomes new Bank of Bhutan CEO

Mr. Dorij Kadin is the new Chief Executive Officer of Bank of Bhutan. Mr. Kadin holds a Master's Degree in Business Administration from Asian Institute of Management, Post Graduate Diploma in international Business from Flinders University of South Australia, and B.Com (Hons.) from Sherubtse College. He has worked 17 plus years in various business functions of Bhutan Telecom. He joined the Bank in 2013 and worked as Chief, Corporate Strategy Department and Director, Corporate Services until he was appointed as CEO of the Bank of Bhutan.

Special Feature

Regulating Asia's Fintech Future

Xun Wang, Peking University

Asia has seen a rise in demand for digital connectivity in recent years. Leapfrogging development in China with mobile payments is significantly contributing to increasing financial inclusion. The traditional financial system in China, dominated by state-owned banks, is more inclined to provide credit and other financial services to large enterprises and state-owned enterprises.

This leaves much room for development in the areas of payment, wealth management, insurance, financing and credit rating for households and small and medium enterprises.

The credit card penetration rate in China is still less than 20 percent. In Southeast Asia, 60 percent of the population does not have a bank account and the credit card penetration rates in Indonesia, the Philippines, Vietnam and other countries are less than 2 percent. In India, 60 percent of business orders are paid in cash, and formal financial services in Bangladesh are even more archaic. Yet, much of the Asian region has a predominantly young demographic — 70 percent of Southeast Asia is under 40 years old — that has a strong ability to accept and adapt to new technologies.

Without mobile payment, most migrant rural workers are delivered remittances informally through friends or bus drivers. This traditional approach is inefficient and fraught with risks and delays, and fintech is likely to serve as an important complement to the formal financial sector.

Asian economies generally have an open attitude towards the development and regulation of fintech, but different governments hold different motives. Thailand and India hope that fintech can improve their financial efficiency and promote financial inclusion. Meanwhile Hong Kong and Singapore, as international financial centers, are more concerned about maintaining their leading international edge and so pay more attention to cross-border payments. Thailand and Singapore have produced fintech development plans and designated special departments and personnel to coordinate implementation. Both countries have also adopted a regulatory sandbox approach to support fintech innovation.

Payment technology in China is already relatively mature and continues to develop rapidly. For example, the volume of transactions through Alipay has increased from 200 transactions per second to over 250,000 transactions per second. Chinese companies aim to work with local partners to create payment systems that incorporate local technology, culture and policies, allowing innovations to be more integrated into local real-life scenarios.

While the financial sector is among the most strictly regulated sectors and financial cooperation remains a sensitive issue in all countries, business cooperation initiatives by Chinese fintech companies seem to be sustainable and much more successful. Alipay, for example, maintains a relatively low profile in cooperating with overseas partners by providing technological support and holding a relatively smaller market share.

Chinese payment technology has also started to support the development of other mobile payment businesses across Asia. Alipay has cooperated with regional partners to help establish nine local e-wallets — TrueMoney in Thailand, GCash in the Philippines, DANA in Indonesia, Paytm in India, TnGD in Malaysia, easypaisa in Pakistan, bKash in Bangladesh, Kakao pay in South Korea and Alipay HK in Hong Kong. Cross-border payment is available between the local wallets of Hong Kong and mainland China and Hong Kong and Japan. Cross-border remittance supported by block chain from Hong Kong to the Philippines and from Malaysia to Pakistan has also been realized.

Moving forward, a number of issues need to be addressed. First, the issue of data ownership between individuals and big tech companies. Data is becoming an increasingly important resource that companies can make more precise decisions with, but the importance of consumer privacy protection should be at the forefront of these discussions.

Second, there is an inequality problem that must be addressed. Some groups, including foreign visitors, still do not have access to mobile payment services. Extended coverage of digital finance, education on inclusive finance and increased

financial openness regarding access to mobile payment services should be adopted across the region.

Third, there are financial risks involved. Strategies to deal with new systemic financial risks, such as cyber-attacks and disintermediation of financial services need to be devised. Digital finance could raise the risk of financial contagion in the absence of effective financial regulation.

Regulation is undoubtedly a key issue when it comes to digital finance. Building on mobile payment services, big tech companies often expand into other financial services, raising the question of how these new financial holding companies will be regulated. The future of fintech in the region relies on effective regulation striking the right balance between efficiency and stability.

Xun Wang is Research Fellow at the National School of Development & Institute of Digital Finance, Peking University.

https://www.eastasiaforum.org/2019/09/04/regulating-asias-fintech-future/

Among Member Banks

Bank of Bhutan - Three banks freeze housing loan

With three banks putting halt on housing loan, building and construction sector is yet again posing risk to the volatile economy.

Bank of Bhutan (BoB), T-bank and Bhutan Development Bank (BDBL) had put a brake on lending to the construction (housing) sector. BoB has even stopped issuing additional loan for those who are in the midst of building.

This has created a huge concern among private firms and individual owners, who are in the process of building houses. Almost all house owners avail additional loans for their final payment.

Sangay, 52 said, he was worried since the construction already began, and he would definitely need additional loan to complete the construction. “The work is halfway through. If I don’t get an additional loan, how will I pay back to the banks?”

Like Sangay, many house owners who are yet to complete their works are worried and frustrated with move few banks have taken.

While many clients shared their grievances over the suspension of additional loan, few are eagerly waiting for the approval to begin construction.

BoB has the highest client availing housing loan, 2,363. For 20 years premium, the bank charges an interest rate of 8.93 percent for commercial housing and 7.98 percent for residential, which is the lowest in the market. Other banks charge between 10.45 percent and 12.5 percent.

Kuensel Online

Among Member Banks

Bank of East Asia warns of protest impact on HK SMEs as H1 profit dives - Further protests in Hong Kong could hit the city's economy, especially the small and medium enterprises (SMEs), Bank of East Asia warned on August 21, after reporting a 75% plunge in its first-half net profit due to loan writedowns in mainland China.

Some Hong Kong companies have been dragged into political controversy in Hong Kong after 11 weeks of sometimes violent clashes between police and pro-democracy protesters, angered by a perceived erosion of freedom.

Anger erupted in June over a now-suspended bill that would allow criminal suspects in the former British colony to be extradited to mainland China for trial.

Bank of East Asia (BEA), and its rivals, have closed branches in the vicinity of protests on a number of separate occasions in past weeks.

"The recent situation in Hong Kong has caused signs of concerns for local SMEs. If the current condition continues it shall affect tourism, retail trade as well as investor confidence," Adrian Li, co-chief executive, Bank of East Asia, said at a press conference in Hong Kong on August 21.

Reuters

Govt accepts State Bank of India MD Anshula Kant's resignation - The government has accepted the resignation of State Bank of India's Managing Director Anshula Kant, following her appointment as MD and chief financial officer of the World Bank.

"The government hereby accepts the resignation of Anshula Kant, Managing Director of the bank, with effect from August 31 in relaxation of the notice period," SBI said in a BSE filing.

Kant was appointed as the managing director and chief financial officer of the World Bank.

As MD and CFO, Kant will be responsible for financial and risk management of the World Bank Group.

Business Standard

Iran to Open Bank Branch in India to Boost Trade: Report- Financial Express quoted Iran's Ambassador to India Ali Chegeni as saying that Iranian bank, Pasargad, has received all necessary approvals including from the Reserve Bank of India (RBI) to commercial banking operations.

"It [Bank Pasargad] will start operations in 2-3 months," he said on sidelines of an industry event in India.

Oil was the biggest commodity traded between the two countries with India buying on an average $1 billion worth of crude oil from the Persian Gulf nation every month. But, after the reimposition of economic sanctions on Iran by the US in November last year, India's purchase of oil from the Persian Gulf nation was started in the rupee instead of US dollars.

Indian oil firms paid Iranian oil company in rupees in a Uco Bank account for the oil they bought. Iran used this money to settle payments for commodity and equipment imports it does from India.

According to the report, Chegini noted that opening up of Bank Pasargad will allow settling payments for imports done by Iranian firms.

Mehr News Agency

Among Member Banks

Japan's MUFG Bank Joins ESG Wave with New Unit - MUFG Bank will set up a department specializing in environmental, social and governance-oriented funding, developing financial products with better terms for companies focused on responsible investing.

The sustainable business office will provide financing to companies based on ESG ratings and numerical benchmarks, as well as encourage customers to work on ESG issues. It will also consider making its own investments in businesses and funds.

The section's staff of about 10 will coordinate with the marketing department in the bank's corporate finance division to expand ESG-focused financing. It will also liaise with international organizations.

Holding company Mitsubishi UFJ Financial Group is signing on to the Principles for Responsible Banking being launched by the United Nations next month. By setting publicly disclosed goals for the environmental and social impact of individual businesses, it aims to improve ESG groupwide.

MUFG Bank has already taken concrete steps to this end. As of last month, its Tokyo headquarters began sourcing all its power from hydroelectric sources, via the Aqua Premium plan offered by Tokyo Electric Power Co. Holdings unit Tepco Energy Partner.

Nikkei Asian Review

Attijariwafa Bank Signs MoU with Japanese Mizuho Bank - Leading Moroccan banking group Attijariwafa Bank has signed a memorandum of understanding (MoU) with the Japanese group Mizuho Bank, with the two entities vowing to use the platform to further the growing bilateral ties between their two countries.

The agreement was signed on August 28, on the sidelines of the ongoing Tokyo International Conference on African Development (TICAD).

In a press statement after the signing of the convention, Attijariwafa expressed satisfaction at securing the trust of yet another international partner.

The statement noted that the cooperation between the two banks will involve a wide range of banking and finance-related matters, from investing in development projects and capital markets to accompanying private enterprises, either established or startups.

"The signing of this memorandum is the culmination of our bank's efforts with international partners to facilitate and improve our services to our clients abroad," the statement said.

Morocco World News

SMBC Eases Dress Code for Some at Head Offices - Sumitomo Mitsui Banking Corp. allowed employees at its head offices in Tokyo and Osaka who have no face-to-face contact with customers to dress freely throughout the year.

The decision came as over 90 percent of workers who took part in a trial in July and August wanted the bank's strict dress code to be removed.

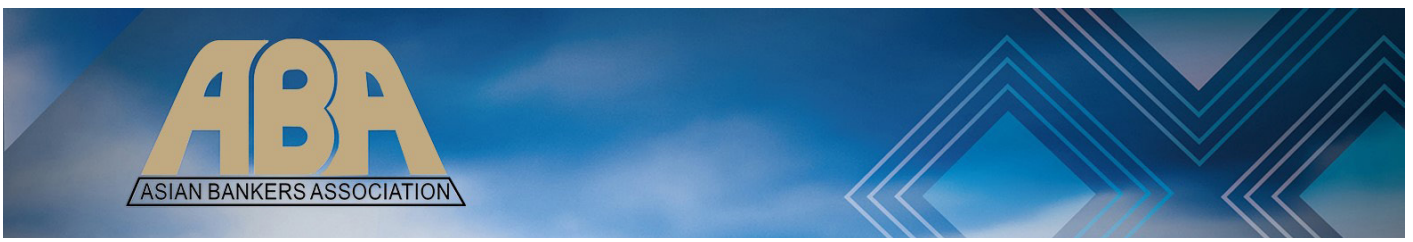
On the first business day in September, many workers came to the head office in Tokyo in T-shirts and polo shirts.

An expanded "Cool Biz" campaign to encourage workers to dress lightly during summer, such as in polo shirts and chinos, has been adopted widely both in the public and private sectors in Japan.

The banking industry, often associated with conservatism, seems to have started efforts to increase employees' autonomy and create workplaces with a friendly and open atmosphere by allowing workers to dress casually all year round.

Beginning this month, SMBC, the core unit of Sumitomo Mitsui Financial Group Inc., allowed casual wear for 7,000 employees, about 20 percent of the total employees at the Tokyo and Osaka offices.

Jiji Press



Among Member Banks

Maybank to Double Non-Lending Retail SME Revenue Share - Maybank seeks diversification of its revenue through non-lending income contributions from its so-called «retail small and medium-sized enterprise» segment which it launched five years ago.

The bank plans to double the income stream from the retail SME (RSME) segment over the next three years, from 10 percent (as of December 2018) to 20 percent, after first launching the business to cover this client market five years ago.

The RSME segment is defined as small businesses with turnover of up to 20 million Singapore dollars ($14.4 million). This differs from the broader commercial banking business which covers companies with turnover between $14.4 million and $86.3 million.

"We are trying to move more into fee-based income as we realized there's always asset risk," said Marc Leong, head of SME banking at Maybank in a Business Times report. "And SMEs need these services, so why not offer it to them instead of having competitors do it?"

Finews Asia

BML Crowned 'Asia's Best Employer Brand' for Third Time - Bank of Maldives (BML), on August 15, was granted 'Asia's Best Employer Brand Award' from the World HRD Congress and the Employer Branding Institute.

BML was recognized as one of the most attractive places to work in Asia due to its commitment to people excellence and continued implementation of progressive recruitment, development and talent retainment policies.

Learning and Development Manager Mohamed Ashraf and Employee Relations Manager Asiyath Mohamed accepted the award on behalf of BML. More than 300 human resources professionals from across the Asia-Pacific region attended the ceremony held in Singapore.

The bank's People and Change Director Sahar Waheed stated, "This is the third year in succession that we were recognized at Asia's Best Employer Brand Awards, which is in itself a noteworthy achievement. Our Human Resources strategy focuses on developing competent, motivated, customer-oriented employees to deliver the Bank's strategy. I would like to thank the team who have worked tirelessly to bring this award to the Bank once again."

BML is the largest bank and one of the largest employers in Maldives, with 99 percent of its staff consisting of locals.

The Edition

PNB Seeks to Double Return on Equity in 3 years - Philippine National Bank (PNB) wants to double its return on equity (RoE) within three years as it plans to put more focus on consumer finance and upgrade its subsidiaries in the coming years.

In a media briefing on August 13, PNB President and CEO Jose Arnulfo A. Veloso said the bank wants to increase its RoE to seven percent by the end of 2019 and to 12% in a span of three years from the six percent recorded at end-June.

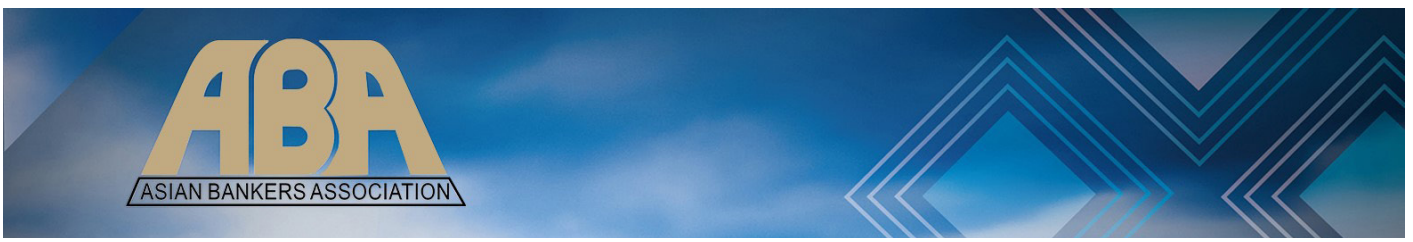
"Our CFO and head of strategy are confident that we can hit seven percent. Seven percent…by the end of the year. The highest in the industry is 10%… I know 10% is really a stretch but…as far as I'm concerned, I'm telling them 12% is your target, shoot for the stars and land on the moon," Mr. Veloso told reporters in a mix of English and Filipino.

RoE is the ratio of net profit to average capital. It measures how much shareholders make for every peso they invested in a company.

PNB's quarterly report said its RoE was at 6.04% in the second quarter, lower than the 8.89% posted in the same period last year and the 7.70% in December 2018.

PNB is also looking to improve the leasing businesses of its subsidiaries, with Mr. Veloso saying there is huge untapped potential in the sector.

Business World Online



Among Member Banks

SEC Approves Merger of RCBC and Thrift Bank Unit - The Securities and Exchange Commission approved the merger between Rizal Commercial Banking Corp. and subsidiary RCBC Savings Bank.

The Bangko Sentral ng Pilipinas issued Circular 2019-059 on Aug. 19 to inform its supervised financial institutions about the merger.

It said the SEC approved on July 22, 2019 the plan of merger and articles of merger executed on Nov. 27, 2018 and March 19, 2019, respectively, by RCBC and RCBC Savings Bank with the former as the surviving corporation.

It said that with the merger, the entire assets and liabilities of RCBCS would be transferred to and absorbed by RCBC. The merger took effect on July 22, 2019.

The merger was approved by the Bangko Sentral ng Pilipinas on June 17, 2019. The union was seen to improve RCBC's financing and operational cost efficiencies.

RCBC is one of the leading banks in the country that offers a wide range of banking and financial products and services.

RCBC's consolidated net income jumped 23 percent in the first half to P2.7 billion from the P2.2 billion a year ago on sustained strength of core businesses.

Manila Standard

DBS to Offer Hybrid Human-Robo Investment Solution to Retail Investors - Retail investors with at least S$1,000 to invest will be able to tap DBS's wealth management expertise to buy a portfolio of exchange-traded funds (ETFs) by the end of September.

The robo-investment platform, digiPortfolio, combines investment strategies from the bank's wealth management team, which are traditionally limited to private banking customers, with computer algorithms to help automate the investment process.

This sets the Singapore bank apart from the other nine digital advisory services in the market, which provide portfolio advice with no direct human involvement.

The use of technology has helped the bank avail some of the services to all customers that in the past was "almost impossible to do so", said Mr Jeremy Soo, DBS' Singapore head of consumer banking group at a media briefing on September 2.

"Either you bring a lot of money to join a wealth management platform, (or else) all these things are not available to you," he noted.

Straits Times

United Overseas Bank Strengthens Presence in Vietnam - Singaporean lender United Overseas Bank (UOB) has bolstered its Vietnam footprint by setting up a branch in Hanoi.

The bank already operates a branch in Ho Chi Minh City.

Commenting on the expansion, UOB CEO Wee Ee Cheong said: "Our new branch reflects our continued confidence in the country as we seek to serve more customers in both the northern and southern parts of Vietnam.

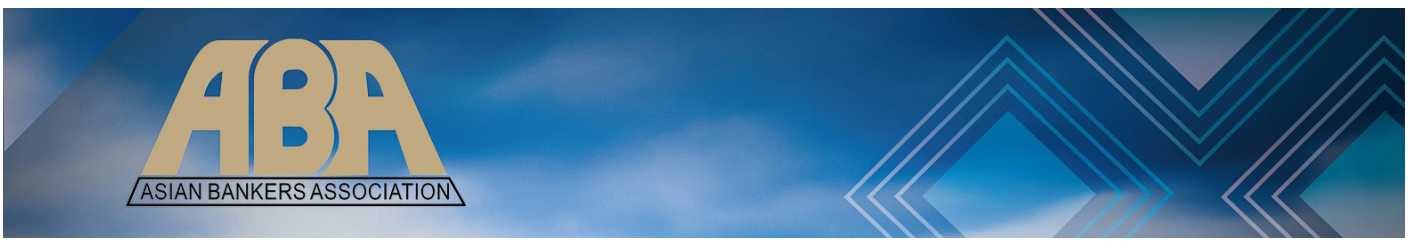
"It will enable us to connect customers to the opportunities that Vietnam offers and to support Vietnamese companies in seizing opportunities across Asean and further afield."

UOB has been operating a branch in Vietnam since 1995.

In 2017, the bank obtained an in-principle foreign-owned subsidiary bank license from Vietnam's central bank. The license enabled the bank's expansion in Vietnam beyond Ho Chi Minh City.

Last August, the bank officially launched its Vietnam subsidiary, becoming the first Singapore bank to establish a foreign-owned subsidiary bank in Vietnam.

Verdict



Among Member Banks

Bank of Taiwan opens office in Ho Chi Minh City, Vietnam - Responding to the government's New Southbound Policy, the Bank of Taiwan opened a representative office in southern Vietnam's Ho Chi Minh City on August 14.

The ceremony followed the launch of an office in the Filipino capital Manila last January 31, the Liberty Times reported. The prominent Taiwanese bank now disposed of 19 offices in 14 countries.

The Indonesian capital Jakarta and the Malaysian capital Kuala Lumpur were the next targets, with preparatory work already underway.

The financial institution was Taiwan's only bank with offices on all five continents, Asia, America, Europe, Africa and Oceania, according to the Liberty Times.

At the Ho Chi Minh City office, one of the key tasks would be to assist Taiwanese businesses entering the Southeast Asian market, officials said. The plan would also involve cooperation with other international and with local banks.

Since its launch in 2016, the New Southbound Policy has focused on tightening relations between Taiwan and 18 South and Southeast Asian nations in fields as varied as education, tourism and business.

Taiwan News

CTBC Bank Co. Moves into Global Top 150 in The Banker's Rankings - CTBC Bank USA, a trusted and established financial institution for commercial and retail customers, is proud to announce that its parent company CTBC Bank Co. is now ranked among the top 150 banks globally by The Banker, a publication owned and edited by The Financial Times. CTBC Bank Co.'s ascent marks the first time a Taiwanese-based bank has broken into the top 150 institutions on this list.

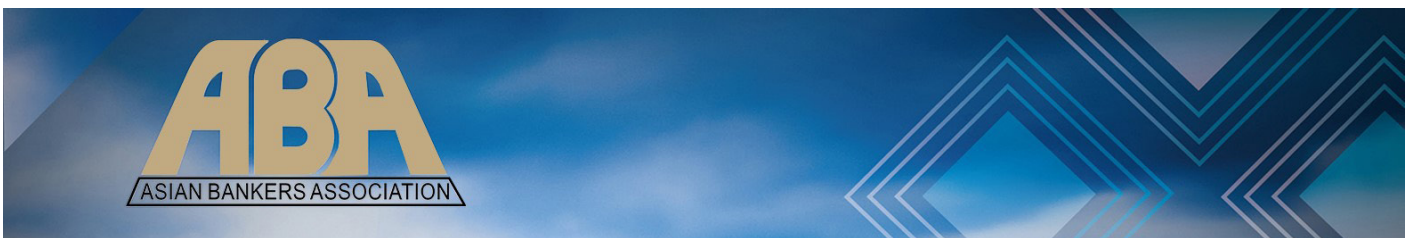
CTBC Bank Co. has topped the list of Taiwanese banks for three consecutive years, moving from a ranking of 151 last year to 148 on the 2019 list. The Banker's "Top 1,000 World Banks" ranking sets the industry benchmark, providing comprehensive intelligence about the banking sector globally.

"CTBC Bank USA's global resources and reach, combined with our parent bank's strong foundation, further empowers us as a competitive force in U.S. banking, particularly with customers with large interests across Asia-Pacific and global," said Noor Menai, President and CEO of CTBC Bank USA. "Over several decades, CTBC Bank Co.'s global footprint and deep roots in Asia have enabled our US presence to grow into a robust, yet nimble business that can provide the innovative solutions our clients are looking for in a commercial and retail bank."

This year, CTBC Bank Co.'s tier-1 capital reached US$9.752 billion, marking an increase of more than US$159 million from last year. It has branches and offices offering first-class banking services in 14 countries, including 11 in Asia. The bank's business performance and risk tolerance metrics are complemented by a commitment to corporate social responsibility. CTBC Bank Co. is a constituent of the MSCI ESG Leaders Indexes, FTSE4Good Emerging Index and the Dow Jones Sustainability Indices.

The Banker began its tally of the world's top 1,000 banks in 1970, gauging the scale and performance of different banks selected based on the size of tier-1 capital. This year's rankings took into account more than 2,000 types of financial data to provide a comprehensive outlook on banks around the world.

Business Wire



Among Member Banks

BBL credit card move to rein in NPLs - Bangkok Bank (BBL), Thailand's third largest lender by assets, wants to tighten credit card spending by self-employed workers, online vendors and small business operators after soured loans for these customer groups climbed.

The bank is closely monitoring card spending behaviour of these customer groups, particularly those with irregular spending, and plans to lower their credit limit for cash withdrawals via credit cards on a case-by-case basis for both existing and new cardholders to keep a lid on non-performing loans (NPLs), said Shoke Na Ranong, executive vice-president and card division manager.

"We plan to rework measures to control credit card NPLs after dropping them a few years. They will be applied on a case-by-case basis," he said.

The bank's credit card NPLs inched up to 2.1-2.2% of total credit card loans from 1.9% at the end of 2018, mainly from higher loan defaults by small business operators, online sellers and self-employed cardholders, he said.

Mr Shoke said the sluggish economy contributes to rising credit card NPLs.

Cardholders are using credit cards to help their small businesses with liquidity amid the stuttering economy, but many cannot make the monthly payments, leading to higher NPLs, he said.

Bangkok Post

Vietcombank in Forbes' top 50 listed Vietnamese Companies - The Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) has entered Vietnam's 50 best listed companies in 2019 by Forbes Magazine for the seven consecutive years.

Honored companies this year were rated on the basis of compound annual growth, profit, return on equity, earnings per share growth between 2013 and 2018, branding, quality of corporate management, source of profit, and the prospect of sustainable development.

This year's list includes leading companies on the HCM Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX) such as dairy firm Vietnamilk, beer maker Sabeco, IT giant FPT Corp, DHG Pharmaceutical, insurance-finance group Bao Viet, digital retailer Mobile World and realty developer Vingroup.

The Ho Chi Minh Stock Exchange (HOSE) dominated the list as it is home to 45 of the 50 listings, leaving the Hanoi Stock Exchange (HNX) with five. There were 13 changes to the list from last year with 11 firms making their first appearance and two companies coming back on to the list.

According to Forbes, the companies have recorded a combined total post-tax profit of nearly 127.53 trillion VND (5.6 billion USD), a year-on-year increase of 19.2 percent. The total capitalization of the enterprises reached 94 billion USD, accounting for 63 percent of the total market capitalization on the two bourses as of mid-May.

For three consecutive years, Vinamilk led the market in terms of profitability, but this time Vietcombank surpassed the dairy giant, becoming the champion in after-tax profit with the growth rate of 60 percent.

VNA

Banking and Finance Newsbriefs

Hong Kong

Hong Kong Monetary Authority Moves to Steady Ship Amid Protests, US-China Trade War, Introduces new Funding Facility for City's Banks

Hong Kong Monetary Authority, the city's de facto central bank, has introduced new ways in which the city's lenders can borrow from it, a move aimed at strengthening the banking system at a time of unprecedented social unrest.

The new measures also enhance the current system banks can use to borrow from the monetary authority should they face an unexpected liquidity crunch, it said in a circular to all banks on August 26.

"This is part of our ongoing work to maintain the integrity and stability of the monetary and financial systems of Hong Kong," Norman Chan, the HKMA's chief executive, said in a statement.

"The [updated Liquidity Facilities Framework] outlines the facilities that are already in place, as well as the newly introduced resolution facility, in a systematic way so as to foster a better understanding of the different ways that liquidity may be made available to banks by the HKMA," he said.

The new resolution facility can be used when the monetary authority takes control of a bank in difficulty. Under this facility, the HKMA will use several channels to inject liquidity into a bank and ensure it has money to settle its dealings with other parties. The facility can last until operations at the bank return to normal.

South China Morning Post

India

India to Merge State-Owned Banks as Economic Growth Slows

India has announced plans to merge a raft of state banks as prime minister Narendra Modi seeks fresh ways to battle a deepening economic slowdown.

Finance minister Nirmala Sitharaman said on August 30 that the government would consolidate 10 existing banks, including Punjab National Bank, the country's second-largest state lender, into four entities in a bid to get credit flowing into the economy.

The move by the government came on the same day figures showed Indian economic growth slowed sharply in the second quarter to its weakest level in six years. State banks, which account for about two-thirds of assets in the banking sector, have been hamstrung in recent years by bad loans and governance concerns, prompting calls for the government to intervene by consolidating or privatizing them.

The woes of India's banking system is one of the leading causes of the alarming slowdown, say analysts and economists, as bad debts limit banks' ability to keep lending and repeated scandals erode trust.

Mr Modi's government has looked to consolidate the public-sector banks in order to cope with their challenges, with a focus on merging smaller, weaker banks into larger, stronger banks.

Financial Times

Japan

Japan Regulator to Step Up Surveillance of Stressed Banks

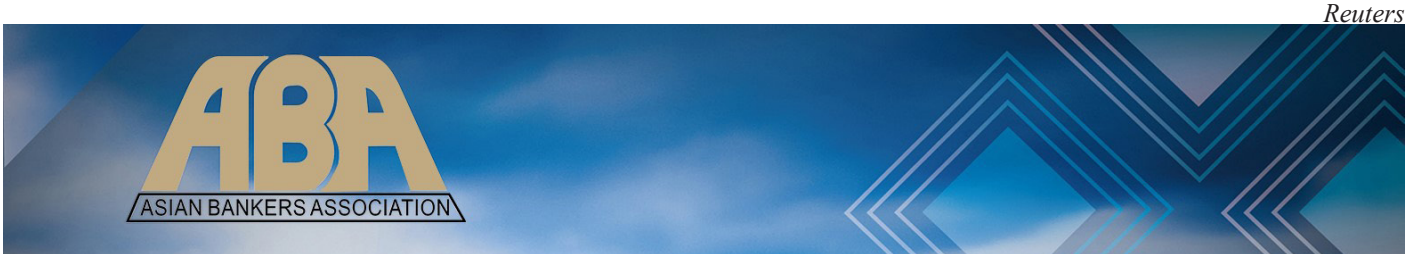
Japan's financial regulator said it would beef up surveillance of local banks that show signs of stress as years of ultra-low rates and a shrinking population erode their profitability.

The Financial Services Agency (FSA) will take preventive steps such as on-site inspection and administrative punishment when banks post continuous deficit or their capital adequacy ratio drops below 4 percent, the regulator's annual report shows.

"The environment around regional banks has become increasingly severe," the report said on August 28. "Regional banks need to establish a sustainable business model and secure financial health."

The FSA also said it would consider lowering the deposit insurance rate for financially robust banks in a move to drive consolidation among regional lenders. All domestic financial institutions are currently required to reserve a deposit insurance fee of 0.033 percent to hedge against bankruptcy. With the change, the FSA would require different rates depending on a bank's financial health, measured by factors such as the size of its core capital.

Reuters



Banking and Finance Newsbriefs

Malaysia

Finance Minister Guan Eng: Malaysia to see sustainable economic growth in 2H19

The Malaysian economy is predicted to expand sustainably in the second half of the year following considerable export growth in July and a staggering 97.2 percent increase in approved foreign investment for the first half of 2019, said Finance Minister Lim Guan Eng.

He said despite market expectations, Malaysian exports for July rose by 1.7 percent to RM88 billion compared to RM86.5 billion last year, despite the challenging international conditions as a result of trade tensions and slow global economic growth.

"The country's export resilience has boosted Malaysia's trade surplus for July, increasing by 75.6 percent to RM14.3 billion, from RM8.1 billion in the same month last year," Lim said in a statement.

This made it the highest trade surplus in history for July, according to the International Trade and Industry Ministry. The minister said Malaysia's economy is also expected to sustainably grow in the third quarter of the year, following its rapid GDP growth at 4.9 percent in the second quarter.

Malay Mail

Korea

S. Korea's Consumer Price Growth Poised to Hit Record Low Level in 2019

South Korea's consumer prices are poised to grow at a historically slow pace this year in an absence of catalysts that could immediately spark inflation, raising expectations for additional rate cuts by the Bank of Korea this year to revitalize the country's economy.

According to Statistics Korea on September 8, Korea's consumer prices edged up 0.5 percent during the January-August period – the lowest figure for the period since the agency began compiling related data in 1965. The lowest consumer price growth during January-August was 0.6 percent in 1999 and 2015.

The record low inflation rate comes after Korea in August experienced sub-zero inflation with a dip of 0.04 percent for the first time in 54 years after remaining in the zero territory for eight straight months, the longest period since February-November 2015.

But a recovery is not imminent. The Ministry of Economy and Finance and Statistics Korea warned that Korea's consumer price growth would remain below last year's level for the following two or three months from September before recovering to the higher zero territory in the year end.

The Bank of Korea also hinted at the possibility of the country's on-year inflation rate falling into a negative terrain once or twice between August and October, citing the relatively higher inflation rates in the same period of last year on top of softening prices of food and international oil prices this year.

Pulse News

Philippines

Philippine President Signs Law Regulating Islamic Banks

President Rodrigo Duterte has signed Republic Act (RA) 11439 that allows the establishment of Islamic banks in the country in an effort to create opportunities for greater financial inclusion, especially for the "underserved" Muslim population.

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said "R.A. No. 11439 will unlock the full potential of Islamic financing in fostering inclusive economic growth. With a well-defined regulatory framework now in place, the BSP looks forward to seeing greater participation in Islamic financing by both domestic and foreign banks."

"This is expected to widen opportunities for Muslim Filipinos, including those from the Bangsamoro Region, in accessing banking products and services. This is a great stride in our financial inclusion mandates," Diokno said in a statement.

Islamic banking business, as defined under R.A. No. 11439, refers to a banking business with objectives and operations that do not involve interest (riba) as prohibited by the Islamic or Shari'ah Law and which conducts its business in accordance with the principles of the Shari'ah.

RA 11439 mandates the Bangko Sentral ng Pilipinas (BSP) to exercise regulatory powers and supervision over the operations of Islamic banks and to issue the implementing rules and regulations on Islamic banking.

Sun Star

Banking and Finance Newsbriefs

Singapore

New Digital Banks no Major Threat to Singapore's Big 3: Fitch Ratings

The granting of up to five new digital bank licences in Singapore will increase competition within the sector, but is unlikely to threaten the dominance of DBS Bank, OCBC Bank and UOB, Fitch Ratings said on September 3.

This is because the city-state's largest banks have strong franchises and growing digital capabilities, and the regulator is also committed to prevent "value-destructive" competition, which will prevent the three incumbents' business volumes or profitability from being eroded significantly, Fitch noted.

DBS, OCBC and UOB are all rated "AA-" with a stable outlook by Fitch, and are also assigned viability ratings of "aa-".

The Monetary Authority of Singapore (MAS) is now accepting applications for new digital bank licenses until the end of this year.

MAS will announce in mid-2020 up to two digital full bank licenses that allow access to retail deposits, and up to three digital wholesale bank licenses catering to SMEs (small and medium enterprises) and other non-retail segments.

Ride-hailing firm Grab and Vertex-backed peer-to-peer lender Validus Capital have openly indicated their interest in applying for the license. Besides local names, European digital bank start-ups such as Revolut are expected to be taking a closer look, as well as Ping An Insurance's fintech arm OneConnect.

Straits Times

Taiwan

Taiwan Soon to Rise to Top Anti-Money Laundering Review Category

Taiwan will soon officially rise to the top category in a global index on anti-money laundering after Asia/Pacific Group on Money Laundering (APG) members recently approved a previous peer review, Taiwan's Anti-Money Laundering Office (AMLO) said on August 25.

In a statement, the AMLO said the APG issued a report in late June that placed Taiwan in the "regular follow-up" list following the third round of a peer assessment by the group's members earlier this year.

That assessment was approved by APG members during the APG's 22nd annual meeting held from Aug. 18 to 23 in Canberra, the AMLO said in the statement.

The approval should officially put Taiwan in the most favorable "regular follow-up" category for APG members. The other categories in which members can be placed are "enhanced follow-up," "transitional follow-up" and "non-cooperation."

The change should occur in about six weeks, after the AGP officially finalizes the decision, the AMLO said.

Focus Taiwan

Thailand

Bank of Thailand Requiring SFIs to Apply New Caps

The Bank of Thailand (BoT) is requiring four specialised financial institutions (SFIs) to apply a cap on the single lending limit (SLL) of 15% of capital funds, while two other SFIs have a cap of 25%, effective from Oct 1.

Government Savings Bank (GSB), the Bank for Agriculture and Agricultural Cooperatives (BAAC), GH Bank and the Small and Medium Enterprise Development Bank (SME D Bank) are required to adopt the ceiling SLL of 15% of their capital funds, the central bank said in a release.

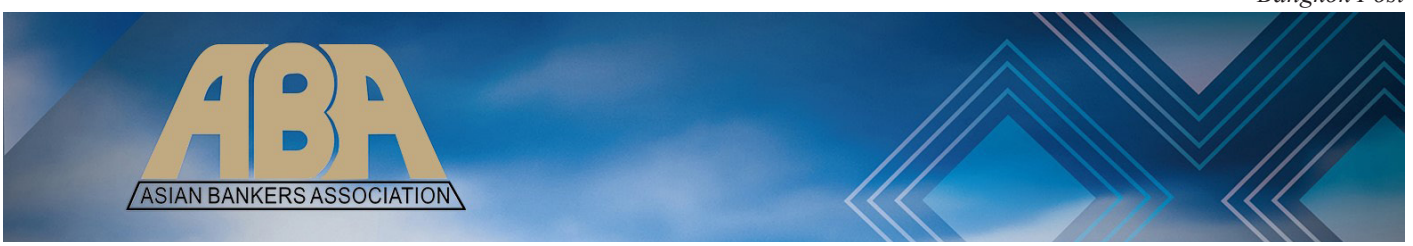
The Export-Import Bank of Thailand (Exim Thailand) and the Secondary Mortgage Corporation (SMC) must limit their lending to a single group of firms at 25%.

Commercial banks are restricted to loan extensions to a particular group of companies at 25% of each bank's capital fund.

The cabinet approved a change in December 2014 allowing the central bank to regulate SFIs, taking over from the Finance Ministry.

The SLL for SFIs is part of a raft of central bank regulations to oversee such state-backed institutions released on September 5. Others rules include a minimum requirement for capital adequacy ratio of 8.5% and a loan-to-value ratio for mortgage lending.

Bangkok Post



Banking and Finance Newsbriefs

Vietnam

Corporate Bond Issuance Rises in Eight Months in Vietnam, Transparency still Biggest Concern

A total of VND117 trillion (US$5.03 billion) worth of corporate bond notes were raised in the first eight months of 2019, according to SSI Securities Corporation's research unit.

The figure means the successful issuance rate in the first eight months was 90.8 percent and the value of the corporate bond market was equal to 10.2 percent of Vietnam's total gross domestic product (GDP), SSI Retail Research estimated.

The total value of corporate bond offered in the first eight months was estimated at VND 129 trillion, the SSI unit estimated upon information disclosed on the stock exchanges and companies' websites.

According to the Ministry of Finance, a total of VND 224 trillion worth of corporate bond notes was raised in 2018, up 94.5 percent year on year. The value of the market last year was VND 474.5 trillion, equalling 8.6 percent of the total GDP and higher than the 6.19 percent in 2017.

Commercial banks were still the biggest issuers, raising total VND 56 trillion – 47.9 percent of the total. Banks were followed by property developers, which raised nearly VND 37 trillion – 31.5 percent of the total, infrastructure constructors (VND 9.2 trillion, 7.9 percent), and non-banking financial firms (VND 4.42 trillion, 3.8 percent).

Vietnam News

Publications

Results and Performance of the World Bank Group 2018: An Independent Evaluation

This report provides a retrospective assessment of the Bank Group's results and performance across its project and program portfolio. This is relevant for understanding the stock of achievements to date and the foundations on which the Bank Group is delivering on the Forward Look and its ambitious capital package. The report synthesizes trends in Independent Evaluation Group (IEG) ratings and identifies explanatory factors behind portfolio performance. Each of the three Bank Group institutions assesses results differently because of their differing reporting periods, operating models, and clients.

The supplementary file contains four appendixes and the remaining, more specialized topic appendixes of the Results and Performance of the World Bank Group (RAP) report. This report is IEG's annual review of the development effectiveness of the World Bank Group (WBG). The report synthesizes trends in ratings, and identifies explanatory factors behind portfolio performance. This report provides a retrospective assessment of the World Bank Group's results and performance across its project and program portfolio. This is relevant for understanding the stock of achievements to date and the foundations on which the Bank Group is delivering on the Forward Look and its ambitious capital package. The four key appendixes for Results and Performance of the World Bank Group 2018 are included with the main file.

Contact for details: World Bank Publication
https://openknowledge.worldbank.org/handle/10986/32324

Publications

Finding Balance 2019: Benchmarking the Performance of State-Owned Banks in the Pacific

This report profiles the roles, performance, market context, and regulatory frameworks of 13 state-owned banks in 10 Pacific countries.

A key finding is the considerable business financing gap in the region, particularly for small-medium enterprises and sectors such as agriculture and fisheries. The report suggests that state-owned banks could address this demand, but would need to do so on commercial terms and without distorting local markets. These institutions would need to strengthen their balance sheets and risk assessment practices and operate under the same market disciplines as private banks.

Finding Balance 2019 is the sixth comparative study of state-owned enterprises in the Pacific and the first to focus on the banking sector.

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

Asian Development Outlook 2019 Supplement: Outlook Steady Even as Trade Tensions Persist

Growth in Developing Asia is projected to expand by 5.7% in 2019 despite the trade conflict between the People's Republic of China (PRC) and the United States (US).

Developing Asia is forecast to maintain strong but moderating growth in line with April forecasts in Asian Development Outlook 2019 (ADO 2019), even as trade conflict continues between the PRC and the US. The regional gross domestic product (GDP) is forecast to expand by 5.7% in 2019, as unexpectedly strong growth in Central Asia offsets small downgrades for East, South, and Southeast Asia in 2019, with growth slowing marginally to 5.6% in 2020. Excluding the newly industrialized economies of Hong Kong, China; the Republic of Korea; Singapore; and Taipei, the regional growth outlook is revised down slightly to 6.1% for 2019 and maintained at that rate for 2020.

The combined growth forecast for the major industrial economies—the US, the euro area, and Japan—is maintained from ADO 2019. Upward revisions to growth prospects in the US are offset by downward adjustments to euro area growth forecasts.

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

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Ernest Lin, Secretary Treasurer; Amador R. Honrado, Jr., Editor, Jacqueline Uy, Associate Editor
Wendy Yang, Contributing Editor; Teresa Liu, Assistant Editor
7F-2, No. 760, Sec. 4 Bade Road, Taipei 10567, Taiwan; Tel: (886 2) 2760-1139; Fax: (886 2) 2760-7569
Email: aba@aba.org.tw; Website: www.aba.org.tw