

Banknotes
Three weeks ended 9 January 2015



KPMG China's weekly banking news summary

This publication is a summary of publicly reported information, the accuracy of which has not been verified by KPMG.

In the news

Bank of China
China Construction Bank
China CITIC Bank International
DBS
HSBC
Industrial and Commercial Bank of China
Industrial Bank
Oversea-Chinese Banking Corporation
People's Bank of China
Ping An Bank
Standard Chartered Bank

News

Industrial Bank established a consumer finance company – Industrial Bank has made an RMB198 million investment to establish Industrial Consumer Finance Ltd in Quanzhou. It is the first consumer finance company controlled by a joint-stock commercial bank in China to enter the consumer finance market

ICBC Thailand becomes a RMB clearing bank – Industrial and Commercial Bank of China (Thailand) has been designated as the Renminbi clearing bank in Thailand to facilitate cross-border trade yuan settlements and investments and reduce costs.

China CITIC Bank International's rating is upgraded to Baa1 by Moody's – Credit ratings agency Moody's has upgraded the long-term deposit ratings of China CITIC Bank International Limited to Baa1 from Baa2 and affirmed the bank's P-2 short-term deposit ratings.

CCB launches online loan program – In response to increasing demand for online financing among Chinese banks, China Construction Bank (CCB) has rolled out an online loan program which can quickly extend small loans as low as 1,000 yuan (US\$161) to individuals and small businesses.

DBS and OCBC were the top syndicated loans arrangers in Southeast Asia in 2014 – Together, Development Bank of Singapore (DBS) and Oversea-Chinese Banking Corporation (OCBC), both based in Singapore, led about 110 loan deals totalling more than US\$13 billion.

Kaisa Group defaults on a HK\$400 million loan to HSBC – HSBC initiated an immediate mandatory repayment provision under a facility agreement following the resignation of Mr. Kwok Ying Shing as the chairman of the board of directors of the Kaisa Group (1638.hk). However, Kaisa has failed to repay the HK\$400 million principal and accrued interest to HSBC.

Ping An Bank plans to write off RMB 1.8bn impaired loans – Ping An Bank's board had approved a plan to charge off about RMB1.8 billion (US\$290 million) in non-performing assets for Q4 2014.

BOC established commodity business centre in London – Bank of China (BOC) has set up a commodity business centre in London, and plans to establish more in Shanghai, Singapore, London and New York to manage its commodity business globally.

Standard Chartered closes down equities business and plans further job cuts in retail banking – Standard Chartered Bank announced its decision to completely wind down its equity capital markets business, which will lead to about 200 job cuts in Asia. It made 2,000 job cuts in its retail banking division in the last quarter and plans to cut another 2,000 this year.

In brief

PBOC considering to allow opening of accounts online – The People's Bank of China (PBOC) is gathering opinions from Chinese banks about the guidelines for opening RMB-denominated bank accounts online to be in light of the development of Internet finance.

Results of FX investigation announced on ten banks – The Hong Kong Monetary Authority (HKMA) announced the results of investigation into the foreign exchange (FX) trading operations of ten banks in Hong Kong. No evidence of collusion among the banks investigated and any rigging of the benchmark fixing of Treasury Markets Association (TMA) FX rates in Hong Kong were found in the investigation.

Compliance operation examination of forex business is initiated at seven Chinese banks – From January to May 2015, the State Administration of Foreign Exchange (SAFE), China's top FX regulator, will be investigating the compliance operations of the FX business at seven Chinese banks' to strengthen banks' internal control and prevent illegal FX business operations.

Sources: Bangkok Post, Daily The Pak Banker, Dow Jones Newswires, China Daily Information Company, ENP Newswire, Thomson Reuters, The Jerusalem Post, Channel NewsAsia, ET Net News, Xinhua's China Economic Information Service, and various banks' and regulators' websites.

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