



KPMG China's weekly banking news summary

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In the news

Chong Hing Bank
European Central Bank
People's Bank of China
Standard Chartered Bank

News

Chong Hing Bank

- Pre-tax profit increased by 334.14% to HK\$2,908 million, including HK\$1,960 million of net gain on disposal of assets held for sale.
- Total assets increased by 27% to HK\$108,046 million.
- Return on average shareholders' equity increased to 9.35%.
- Interest income increased by 34% to HK\$2,136 million.
- Loan impairment charges reduced by 191.79% to HK\$32 million.

Standard Chartered Bank

- Pre-tax profit decreased by 30% to HK\$4,235 million, including effect of a 32% increase in impairment loss on loans and advances and other credit risk provisions of HK\$2,141million in 2014.
- Total assets increased by 8% to HK\$725,914 million.
- Return on average shareholders' equity decreased to 7.8% compared to 11.2% in 2013.
- Interest income reduced by 3% to HK\$16,984 million.

In brief

PBOC cuts interest rate – The minimum interest rate on one-year loans by commercial banks was cut by 0.25% to 5.35% and interest rate paid on one-year deposits was lowered by 0.25 % to 2.5%. **The People’s Bank of China (PBOC)** has also lowered the interest rates charged to commercial lenders on a special short-term lending tool known as the standing lending facility. The overnight interest rate was cut from 5% to 4.5% and the seven-day rate lowered from 7% to 5.5%.

ECB will launch into QE after lifting growth outlook – European Central Bank (ECB) will start quantitative easing next week. President Mario Draghi said the first bond purchases with new money would be on 9 March 2015. The Central Bank will buy 60 billion euros (US\$66 billion) a month until September 2014 or until inflation is pushed back to close or below 2%.

Sources: AA Stocks Financial News, Dow Jones Institutional News, ET Net News, HK Ex news, Khaleej Times, Shanghai Daily, SinoCast Banking Beat, South China Morning Post and various banks’ and regulators’ websites.

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