

The Asian Banker 500 Strongest Bank Balance Sheets

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Transaction bankers optimistic despite financial sector slowdown page 16

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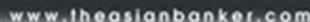
Small, fast growing banks ace scorecard

Introducing
new
"Bank Watch
List"

500



CEO Interview:
ICA president commissioner, Dyhan Erni Sefjono is respected for his vision and managerial abilities, successfully developing a diversified base for revenue and ensuring continued growth.



THE ASIAN BANKER 50

Bank Watch List: Monitoring and tracking small banks that have grown assets rapidly, yet kept low NPL levels in the last two years

Strongest Risk (5%)	40 TMR Risk (2%)	Intermediate Risk	Weakly	Red Lines, CAGR (2 year)	WPI, Ratio Average (2 year)
14	115	Bank of America	100%	10.7	0.10

Weighted Size	\$5.00	Domestic Bank	Assets	Non-Loan Assets	95% Size Weight
271	21	Real of Service	Other	28.0	2.1
27	225	Manufacturing/Engineering	Other	13.5	2.27
107	193	Manufacturing/Engineering	Other	38.0	2.0
107	193	Real of Service	Other	38.0	2.0
20	207	Manufacturing/Engineering	Other	10.0	2.0
12	218	Engineering/Arch	Other	17.0	2.1
97	436	Real of Service	Other	87.0	2.0
293	293	Real of Service	Other	248.0	1.9
245	245	Manufacturing/Engineering	Other	244.0	1.91
94	94	Other (Insurance/Broker/Finance)	Other	131.0	1.7
123	123	Real of Service	Other	20.0	1.7
123	409	Other (Insurance/Broker/Finance)	Finance	79.0	1.9
123	409	Real of Service	Other	79.0	1.9
109	80	Real of Service	Other	10.0	1.9
109	80	Real of Service	Other	10.0	1.9
30	347	Real of Service	Other	47.0	2.0
47	47	Real of Service	Other	57.0	1.0
220	241	Engineering/Arch/Construction/Other	Other	35.0	2.0

The "Green Sheet" studies also reflected the fact that overall trends in management of these landfills were slow to transfer and become permanent in nature to give a different view of resource strengths and the performance being achieved. This is the first time that all of these trends will be a permanent trait for the industry to benchmark and measure financial strength and which will be the continuously increasing.

What does it mean to be in the Work Watch List?
In this year's ranking, we have identified 161 large growth (G&N) or more than 20% and 10% (Non-G&N) as companies that will impact financial strength due to factors that are www.moodys.com

The weighted average NPL ratio for Uvreda banks stood at around 1% based on published data, which does not add to the actual asset quality to GDP.

of risk have tended to track social financing has lagged from 17% in 2010 to 40% in 2012, compounded mainly by the growth of central bank reserves. In 2013, total social financing has been declining since March and the share of non-bank lending dropped to 15% in June 2013, which translated in 30% in June 2013.

Conclusion

The latest driving showed mixed slowdown in builders' productivity. Finally, we would qualify some last year's findings. The industry aggregate strength index has also slowed, reflecting higher stress on family-run construction firms. The outlook for the industry is mixed by

THE ASIAN BANKER 500

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
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The Asian Banker 500

Now in its 12th year, The Asian Banker 500 (AB500) is an annual study of the financial and business performance of the commercial banking industry in the Asia Pacific region.



Largest Banks



Strongest Bank Balance Sheets



Bank Watch List (New~)



Performance Rankings

The screenshot displays the website for The Asian Banker, which provides strategic business intelligence for the financial services community. The page is titled "Asian Banker 700 Main Page" and features a navigation menu with links to Home, Databook, Main Topics, Rankings, Award Programmes, Conferences & Training, Media Gallery, and Jobs in Finance. A search bar is located in the top right corner. The main content area includes a sidebar with links to various sections such as The Asian Banker Main, The Asian Banker Databook, Country Macroeconomic Files, The Asian Banker 700, Asia Pacific Largest banks, Asia Pacific Strongest Bank Balance Sheets, Bank Watch List, Asia Pacific Performance Rankings, Country Capsules, Middle East Rankings, The Investor Audit, Banking Industry Directory, List of Leading Practitioners, and Buy Research Reports. The main content area features four icons representing different sections: "Asia Pacific Largest Banks", "Strongest Banks Balance Sheets", "Bank Watch List", and "Performance Rankings". Below these icons, there is a section titled "We recently updated the following" which lists two research notes: "Hong Kong banks' aggregate pre-tax operating profit up 21.8% in Q1 2013" and "Australian banks' aggregate Tier 1 capital ratio up to 10.3% of risk-weighted assets in 2012". A "White Papers" section is also visible on the right side of the page.

China Overtook Japan with the most banks in the AB500 ranking

Country	Number of banks in AB500	Total Assets (\$mn)	Share of Total Assets	Total Net Loans (\$mn)	Share of Total Net Loans	Total Deposits (\$mn)	Share of Total Deposits	Total Net Profit (\$mn)	Share of Total Net Profit
Australia	13	3340250	8.0%	2322908	11.05%	1646946	5.64%	25372	7.15%
Bangladesh	15	35783	0.1%	22157	0.11%	27574	0.09%	58	0.02%
Brunei	1	2085	0.0%	641	0.00%	1710	0.01%	26	0.01%
China	116	16037491	38.6%	7732424	36.80%	11802226	40.44%	188762	53.23%
Hong Kong	19	1674248	4.0%	755973	3.60%	1144695	3.92%	21749	6.13%
India	43	1743633	4.2%	1077292	5.13%	1292719	4.43%	16032	4.52%
Indonesia	29	366718	0.9%	230869	1.10%	276200	0.95%	8307	2.34%
Japan	114	12640993	30.4%	5451625	25.94%	9087039	31.14%	44832	12.64%
Macau	6	36208	0.1%	20344	0.10%	28221	0.10%	300	0.08%
Malaysia	16	674934	1.6%	414830	1.97%	497502	1.70%	8298	2.34%
New Zealand	6	286018	0.7%	225116	1.07%	165132	0.57%	2748	0.77%
Pakistan	14	85722	0.2%	34030	0.16%	62632	0.21%	1204	0.34%
Philippines	14	136632	0.3%	69546	0.33%	101900	0.35%	2232	0.63%
Singapore	4	767142	1.8%	426028	2.03%	503311	1.72%	9550	2.69%
South Korea	12	1610811	3.9%	1062783	5.06%	926670	3.18%	9983	2.82%
Sri Lanka	6	30241	0.1%	19169	0.09%	22343	0.08%	429	0.12%
Taiwan	39	1499441	3.6%	780101	3.71%	1197325	4.10%	7724	2.18%
Thailand	14	438126	1.1%	286007	1.36%	305544	1.05%	5758	1.62%
Vietnam	19	152344	0.4%	82326	0.39%	94036	0.32%	1255	0.35%
TOTAL	500	41558818	100.0%	21014170	100.00%	29183725	100.00%	354619	100.00%

Source: Asian Banker Research

Southeast Asian banks recorded impressive growth

Asia Pacific

AB 500 Rank 2013	Commercial Bank	Country
1	Industrial & Commercial Bank of China	China
2	Mitsubishi UFJ Financial Group	Japan
2	China Construction Bank Corporation	China
4	Japan Post Bank	Japan
5	Agricultural Bank of China	China
6	Bank of China	China
7	Mizuho Financial Group	Japan
8	Sumitomo Mitsui Financial Group	Japan
9	Bank of Communications	China
10	National Australia Bank	Australia
11	Hongkong and Shanghai Banking Corporation	Hong Kong
11	Commonwealth Bank of Australia	Australia
13	Westpac Banking Corporation	Australia
14	ANZ	Australia
15	China Merchants Bank	China
16	Industrial Bank	China
17	China Minsheng Banking Corporation	China
18	Shanghai Pudong Development Bank	China
19	China CITIC Bank Corporation	China
20	Resona Holdings	Japan

Greater China

Rank 2013	AB 500 Rank 2013	Commercial Bank	Country
1	1	Industrial & Commercial Bank of China	China
2	3	China Construction Bank Corporation	China
3	5	Agricultural Bank of China	China
4	6	Bank of China	China
5	9	Bank of Communications	China
6	11	Hongkong and Shanghai Banking Corporation	Hong Kong
7	15	China Merchants Bank	China
8	16	Industrial Bank	China
9	17	China Minsheng Banking Corporation	China
10	18	Shanghai Pudong Development Bank	China

South and Southeast Asia

Rank 2013	AB 500 Rank 2013	Commercial Bank	Country
1	22	State Bank of India	India
2	25	DBS Group	Singapore
3	30	Oversea-Chinese Banking Corporation	Singapore
4	33	United Overseas Bank	Singapore
5	38	Maybank	Malaysia
6	45	ICICI Bank	India
7	49	CIMB Group	Malaysia
8	52	Bank of Baroda	India
9	58	Punjab National Bank	India
10	60	Public Bank	Malaysia

Source: Asian Banker Research

The Strongest Bank Balance Sheets Ranking offers an opportunity for banks to reflect on the factors that underpin their strengths

Figure 1: Strongest Bank Balance Sheet Scorecard 2013

← Measurement Range →

	Weight	Parameters for comparison - Scoring #	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0
Scale	17.5%	Assets/GDP	>25%	23.1%-25%	21.1%-23%	19.1%-21%	17.1%-19%	15.1%-17%	13.1%-15%	11.1%-13%	6.1%-11%	5.1%-6%	<5%
Balance sheet growth	2.5%	YoY Growth in Loans	No 1-46	No 47-91	No 92-137	No 138-182	No 183-228	No 229-273	No 274-319	No 320-364	No 365-410	No 411-455	No 456-500
	2.5%	YoY Growth in Deposits	No 1-46	No 47-91	No 92-137	No 138-182	No 183-228	No 229-273	No 274-319	No 320-364	No 365-410	No 411-455	No 456-500
Risk profile	15.0%	Loan to Deposit Ratio	<60%	61%-65%	66%-70%	71%-75%	76%-80%	81%-85%	86%-90%	91%-95%	96%-100%	101%-105%	>105%
	10.0%	Capital Adequacy Ratio	>18%	16-18%	14-16%	12-14%	11-12%	10-11%	9-10%	8-9%	6-8%	0-6%	<0%
Profitability	7.5%	YoY Growth in Operating Profit	>50% or L->P	40-50%	35-40%	30-35%	25-30%	20-25%	15-20%	10-15%	5-10%	0-5%	<0% or P->L or L->L
	7.5%	Return on Asset	>1.6%	1.4-1.6%	1.2-1.4%	1.1-1.2%	1.0-1.1%	0.9-1.0%	0.7-0.9%	0.5-0.7%	0.3-0.5%	0-0.3%	<0%
	10.0%	Cost-to-Income Ratio	<35%	35-40%	40-45%	45-50%	50-55%	55-60%	60-65%	65-70%	70-75%	75-80%	>80%
	7.5%	Non-interest Income/Total Operating Income	45-55%	40-45% or 55-60%	35-40% or 60-65%	30-35% or 65-70%	25-30% or 70-75%	20-25% or 75-80%	15-20% or 80-85%	10-15% or 85-90%	5-10% or 90-95%	0-5% or 95-100%	<0%
Asset quality	7.5%	Loan Loss Reserve / NPL	>100%	90-100%	80-90%	70-80%	60-70%	50-60%	40-50%	30-40%	20-30%	10-20%	<10%
	7.5%	Non-Performing Loan Ratio	<0.5%	0.5-1.0%	1.0-1.5%	1.5-2.5%	2.5-3.5%	3.5-5.0%	5.0-7.5%	7.5-10%	10-12.5%	12.5-15%	>15%
Liquidity	5.0%	Liquid Asset / Total Deposits and Borrowings	>40%	28-40%	24-28%	20-24%	16-20%	12-16%	9.5-12%	7-9.5%	4.5-7%	0-4.5%	N/A




Notes:

5 = Highest score, 0 = Lowest score

The measurement ranges for the scoring of the scale categories have been updated from AB500 2012

Source: Asian Banker Research

Asia Pacific 500 largest banks' average capital adequacy ratio rose to 14.6% while bad debts see increase

-  The average total capital adequacy ratio of the largest 500 banks stood at 14.6% in 2012, up from 14% in 2011.
-  Average non-performing loan (NPL) ratio of the region's largest 500 banks increased from 2.51% in 2011 to 2.58% in 2012, whilst the average loan loss reserve to gross NPL ratio dropped from 246% to 163%.
-  Overall, Asian banks face the potential of asset quality deterioration in the next two years.

The aggregate strength score has decreased due mainly to lower balance sheet and profit growth



Out of the 19 countries and territories covered in the rankings, 11 have shown decrease. Average score for all 500 banks declined from 2.53 to 2.49.

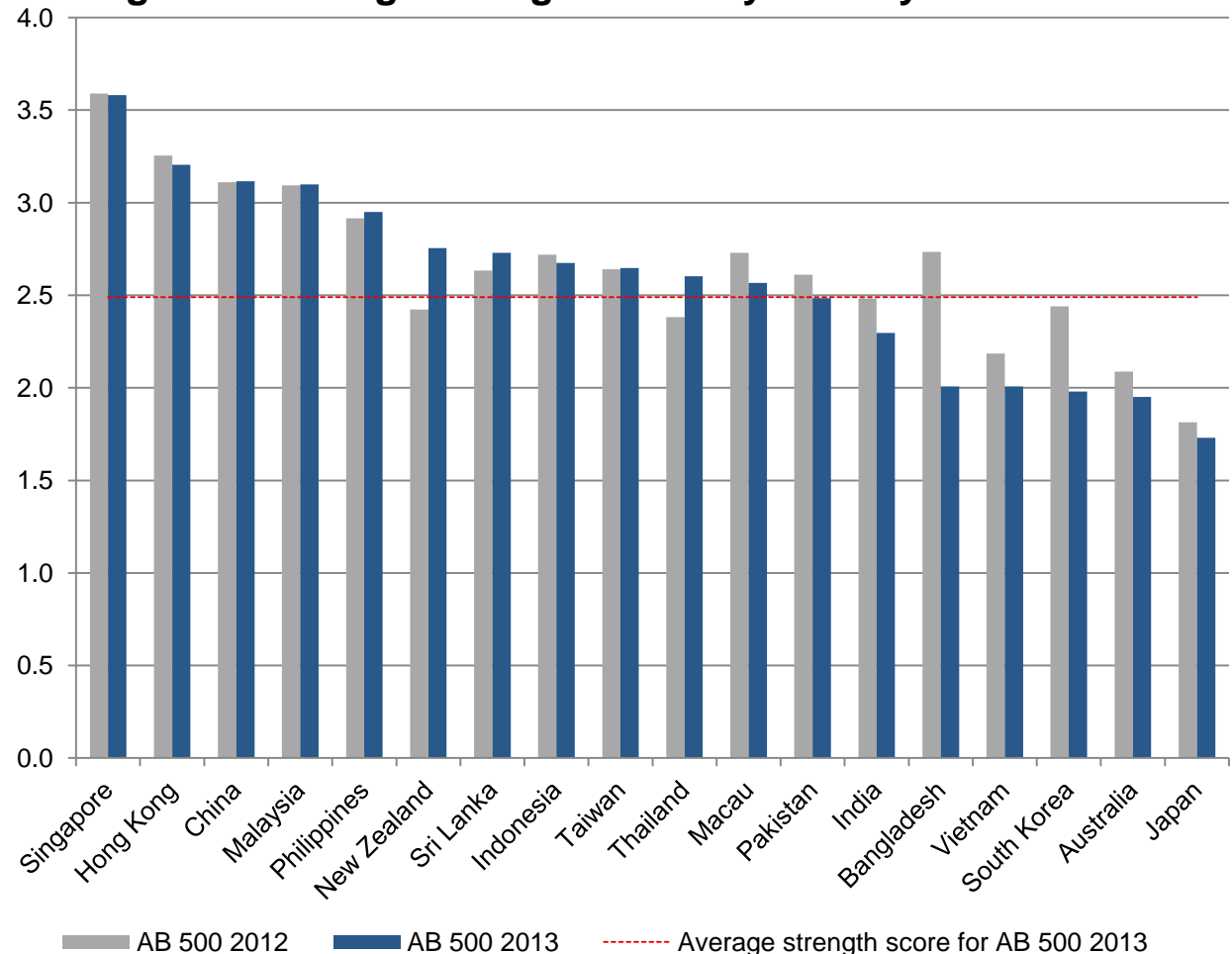


Singapore has the highest country average strength score at 3.58, followed by Hong Kong at 3.20.



The strength score of Hang Seng Bank at 4.19 is lower than 4.31, the highest score last year.

Figure 2: Average strength score by country



Source: Asian Banker Research

The Top 20 strongest bank balance sheets are represented by players from Greater China and Southeast Asia

Figure 3: Top 20 Strongest Bank Balance Sheets in Asia Pacific for 2013

Strength Rank 2013	AB 500 Rank 2013	Commercial Bank	Country	Aggregate Strength Score 2013
1	43	Hang Seng Bank	Hong Kong	4.19
2	5	Agricultural Bank of China	China	4.10
2	278	Industrial and Commercial Bank of China (Macau)	Macau	4.10
4	11	Hongkong and Shanghai Banking Corporation	Hong Kong	4.08
5	3	China Construction Bank Corporation	China	4.06
6	32	BOC Hong Kong	Hong Kong	4.05
7	1	Industrial & Commercial Bank of China	China	4.01
8	30	Oversea-Chinese Banking Corporation	Singapore	3.96
9	38	Maybank	Malaysia	3.83
10	33	United Overseas Bank	Singapore	3.78
11	318	Bank of Guilin	China	3.75
11	46	Standard Chartered Bank (Hong Kong)	Hong Kong	3.75
13	6	Bank of China	China	3.74
14	233	Bank of Suzhou	China	3.71
15	60	Public Bank	Malaysia	3.69
16	358	Bank of Handan	China	3.68
17	408	Jincheng Bank	China	3.68
18	226	Huarong Xiangjiang Bank	China	3.66
19	333	Bank of Inner Mongolia	China	3.65
20	16	Industrial Bank	China	3.61

Source: Asian Banker Research

AB 500 ranks strongest bank balance sheets by country

Figure 4: Strongest Bank Balance Sheets by country for 2013

Strength Rank 2013	AB 500 Rank 2013	Commercial Bank	Country	Aggregate Strength Score 2013
1	43	Hang Seng Bank	Hong Kong	4.19
2	5	Agricultural Bank of China	China	4.10
2	278	Industrial and Commercial Bank of China (Macau)	Macau	4.10
8	30	Oversea-Chinese Banking Corporation	Singapore	3.96
9	38	Maybank	Malaysia	3.83
31	71	Bangkok Bank	Thailand	3.53
37	102	Bank Rakyat Indonesia	Indonesia	3.48
43	2	Mitsubishi UFJ Financial Group	Japan	3.45
44	198	Metropolitan Bank & Trust Company	Philippines	3.45
53	252	YES BANK	India	3.36
73	180	Citibank (Taiwan)	Taiwan	3.29
97	481	Baiduri Bank	Brunei	3.18
132	241	Vietcombank	Vietnam	3.04
135	432	National Savings Bank	Sri Lanka	3.03
136	418	Bank Al Habib	Pakistan	3.03
142	101	Westpac New Zealand	New Zealand	2.99
162	12	Commonwealth Bank of Australia	Australia	2.95
205	27	Hana Financial Group	South Korea	2.73
208	487	Dutch-Bangla Bank	Bangladesh	2.71

Source: Asian Banker Research

Bank Watch List introduced to provide a forward looking element to balance sheet analysis

Figure 5: Bank Watch List 2013

Strength Rank 2013	AB 500 Rank 2013	Commercial Bank	Country	Net Loans CAGR (2-year)	NPL Ratio Average (2-year)
14	233	Bank of Suzhou	China	35.7	0.32
18	226	Huarong Xiangjiang Bank	China	33.6	0.07
21	300	Bank of Jiujiang	China	38.0	0.87
23	178	Bank of Kunlun	China	84.4	0.92
25	257	Nanchong City Commercial Bank	China	44.4	0.32
33	177	Longjiang Bank	China	32.4	0.81
37	434	Bank of Chengde	China	32.0	0.61
59	299	Bank of Luoyang	China	33.8	0.55
64	245	Guangxi Beibu Gulf Bank	China	43.4	0.51
64	263	China Resources Bank of Zhuhai	China	131.2	0.26
123	29	Ping An Bank	China	32.9	0.78
123	488	JP Morgan Chase Bank (Malaysia)	Malaysia	59.3	0.99
142	444	Bank Sumitomo Mitsui Indonesia	Indonesia	36.1	0.48
189	469	Bank ICBC Indonesia	Indonesia	49.8	0.36
203	347	Seven Bank	Japan	167.3	0.17
217	472	Ratnakar Bank	India	82.9	0.60
220	344	Zhejiang Mintai Commercial Bank	China	45.7	0.97
441	307	Members Equity Bank	Australia	46.0	0.05

Source: Asian Banker Research

Performance Rankings

Largest profit	Largest Growth in Profit
Largest Growth in Loans	Largest Growth in Deposits
Highest ROA	Highest ROE
Highest Cost to Income Ratio	Highest Non-Interest Income Ratio
Lowest Gross NPL Ratio	Highest CAR

Top 10 Banks by Profit

Rank 2013	Commercial Bank	Country	Net Profit (\$,mn)	Net Profit (% change, local currency)
1	Industrial & Commercial Bank of China	China	37950	14.51
2	China Construction Bank Corporation	China	30781	14.26
3	Bank of China	China	23137	11.51
4	Agricultural Bank of China	China	23075	19.00
5	Hongkong and Shanghai Banking Corporation	Hong Kong	11705	22.75
6	Mitsubishi UFJ Financial Group	Japan	10175	-10.60
7	Bank of Communications	China	9297	15.07
8	Sumitomo Mitsui Financial Group	Japan	7337	50.83
9	Commonwealth Bank of Australia	Australia	7241	10.86
10	China Merchants Bank	China	7199	25.33

Top 10 Banks by ROE

Rank 2013	Commercial Bank	Country	ROE (%)
1	Bank Rakyat Indonesia	Indonesia	32.86
2	Nanchong City Commercial Bank	China	31.99
3	Bank of Chengde	China	30.27
4	Bank Tabungan Pensiunan Nasional	Indonesia	29.61
5	Bank of Rizhao	China	29.20
6	Longjiang Bank	China	29.19
7	Bank of Deyang	China	28.92
8	Bank of Ceylon	Sri Lanka	27.90
9	Bank of Handan	China	27.22
10	Bank of Guiyang	China	27.01

Source: Asian Banker Research