

22nd ASEAN+3 BOND MARKET FORUM (ABMF) MEETING

Conference Room B&C, Asian Development Bank Institute (ADBI) Kasumigaseki Building 8F, 3-2-5, Kasumigaseki, Chiyoda-ku Tokyo 100-6008, Japan / 7-8 June 2016

TIME	PROGRAM
	Sub-Forum 1 (SF1 Session) – 7 June 2016
08:30 - 09:00	Registration
09:00 – 09:15	Welcome Remarks by Mr. Daikichi Momma, Director-General, International Department, Ministry of Finance of Japan
09:15 – 09:20	Opening by Mr. Koji Ito, SF1 Chair
09:20 – 10:00	Session 1: AMBIF Updates - Potential issues - Brief updates by NAFMII, Philippine SEC, Thai SEC, and HNX
10:00 – 10:20	Session 2: WG-IP Progress by ADB Secretariat - Workshop on Bond Pricing and evaluation - Multilateral MOU - Enhancement of ABO website
10:20 – 10:35	Session 3: WG-CBCR Progress by ADB Secretariat - Tentative survey results - Next steps
10:35 – 11:00	Session 4: Updates on ABMF Bond Market Guides 2016 by ADB Secretariat
11:00 – 11:15	Coffee Break (Conference Room A)
11:15 – 12:15	Session 5: Synthetic Peso Note by RCBC/SMETRIX Fixed Income Partners - Possible cross-border issuance with AMBIF SSF - Basic structures of the note - Tax and regulatory implication - Q&A
12:15 – 13:30	Lunch (Conference Room A)
13:30 – 14:30	Session 6: Update on CGIF by Mr. Nishimura. CEO - Construction Period Guarantee Facility - Securitization - Q&A
14:30 – 15:30	Session 7: SRO by ASEAN+3 SRO group - Significance of SRO roles in the AMBIF bond market - Outline of "SRO WG Activity Report" - Experience of 1st Pilot Issue of AMBIF Bond in Thailand and SRO's involvement - Q&A

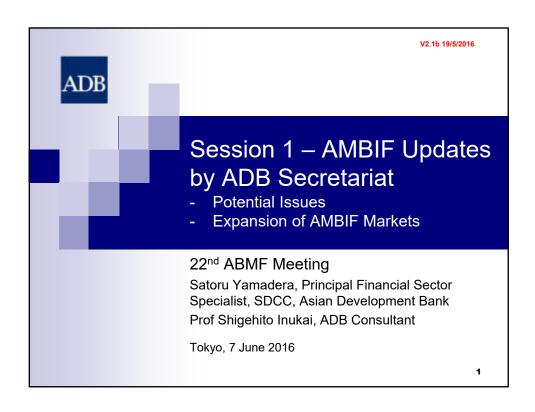
TIME	PROGRAM
15:30 – 15:45	Wrap up by Mr. Satoru Yamadera, ADB Secretariat - Next step of ABMF - Includes opportunity for final Q&A session
15:45 – 15:50	Closing remarks by Mr. Koji Ito, SF1 Chair
15:50 – 17:00	(individual meetings with some members)
	Sub-Forum 2 (SF2 Session) – 8 June 2016
08:30 – 09:00	Registration
09:00 – 09:10	Opening Remarks by Mr. Jong Hyung Lee, SF2 Chair
09:10 – 10:30	Session 8: AMBIF Tax Procedure Survey by ADB Secretariat - Survey structure - Survey result - Next steps
10:30 – 10:50	Coffee Break (Conference Room A)
10:50 – 11:50	Session 9: ISO 200222 and XBRL by Mr. Yoshiaki Wada, NTT Data - Possible use of ISO 20022 for corporate ERP and various reporting requirements with XBRL - Recent XBRL application in Asia as well as the rest of the world - Q&A
11:50 – 12:30	Session 10: ISO 200222 Implementation by Dr. Taiji Inui, ADB consultant - Implementation in ASEAN+3 - How to promote local implementation - Q&A
12:30 – 13:00	Session 11: Next step of SF2 The members are requested to provide opinions what SF2 should discuss regionally as the next step. ADB Secretariat would like to propose to discuss settlement cycle as a remaining regional barrier. Any comments from the members are appreciated.
13:00-14:00	Lunch (Conference Room A)
14:00 – 15:00	Session 12: Information session: Blockchain technology and its implication by Mr. Taketoshi Mori, Senior Manager, Financial Services Industry Group, Deloitte Touche Tohmatsu - What is Blockchain? - Possible application
15:00 – 15:25	Wrap up by Mr. Satoru Yamadera, ADB Secretariat - Next step of ABMF
15:25 – 15:30	Closing remarks by Mr. Jong Hyung Lee and Mr. Yuji Sato, SF2 Chairs
15:30 – 17:00	(individual meetings with some members)

DAY 1 7 JUNE 2016

SUB FORUM 1 (SF1) MEETING

SESSION 1

AMBIF UPDATES



Session 1 Agenda

- Main Factors to support the AMBIF Bond Development
- 2. Potential Issuers
- 3. How to manifest/actualize the potential Issuers
- 4. Expansion of AMBIF Markets
 - 4-1. Important Development Observed
 - 4-2. Key Three Factors for Expansion of AMBIF Markets



1. Main Factors to support the AMBIF Bond Development

ASEAN+3 Regional Economy and their Bond Markets

Through the instability of global financial markets, monetary easing policies, and introduction of negative interest rates in developed countries, the recent ASEAN+3 financial market environment has changed.

As a whole, in recent years, the presence of ASEAN+3 as a consuming region increased relative to the rest of the world. This region is no longer just the factory of the world.



For the resident & non-resident entities doing business in the region, their local currency funding needs, rather than in US dollars, have been growing.

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2. Potential Issuers

- Resident & Non-resident Entities conducting Business/Activities in ASEAN+3 Region
 - > Regional banks
 - Large banks in the region
 - Bank's regional branches and subsidiaries
 - Leasing & financing institutions
 - Automotive sales-finance companies
 - > Business corporations in the region
 - Group of companies that operate in multiple areas of the region
 - Government and Government-related entities



3. How to manifest/actualize the Potential Issuers

- September 2015: The Significant Milestone
 - ☐ THB bond issued by Mizuho Bank HQ was the first bond issuance under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF)
 - □ Please refer to ThaiBMA's presentation
- Continuous Promotion/PR/IR and practicing other Pilot Issuances by ABMF Members or supporting institutions will be the key to the success of AMBIF!

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4. Expansion of AMBIF Markets

- 4-1. Important Development Observed
- The spread of voluntary actions by the regulatory authorities in the region towards the creation or revision of regulations in order to contribute to the introduction of AMBIF in their domestic markets
 - See next page for details.



4-1. Important Development Observed

- China Bond market is rapidly evolving, amid regulatory changes, including access for foreign issuers and institutional investors.
- Korea Professional bond market to meet the specifications of AMBIF bonds will be formulated in the near future.
- Philippines Potential new product would distinguish PH offering, but offer opportunities for all AMBIF markets; tax regulations conducive for repo, SBL activities (typical driver of bond market) being reviewed.
- **Thailand** MTN type of bond issuances becoming possible
- Viet Nam Following ABMF market visits, MOF and market institutions have been considering practical changes to laws and regulations, in line discussions on AMBIF.



4-2. Three Key Factors for Expansion of AMBIF Markets

- Continuous promotion/PR/IR of AMBIF
- Voluntary actions by national regulatory authorities towards the creation or revision of related regulations for AMBIF
- Pilot issuances by ABMF members or supporting institutions together with the above regulatory authorities' actions



SESSION 2

WG-IP PROGRESS



Session 2: WG-IP Progress by ADB Secretariat

22nd ABMF Meeting

Satoru Yamadera, Principal Financial Sector Specialist, SDCC, Asian Development Bank Tokyo, 7 June 2016

Outcome of the workshop



- Importance of price information and market transparency.
- Experience sharing among the pricing agencies in the region
- Efforts to enhance market transparency



Regional information platform



ABO website enhancement



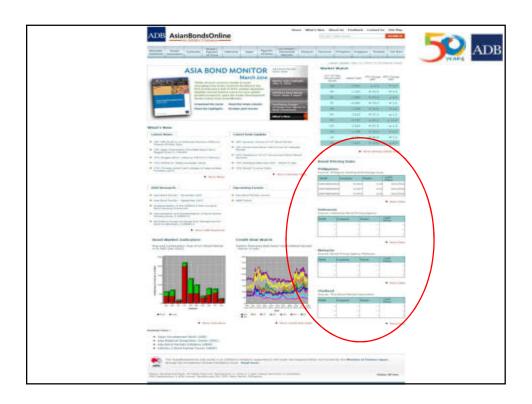


Proposed Changes

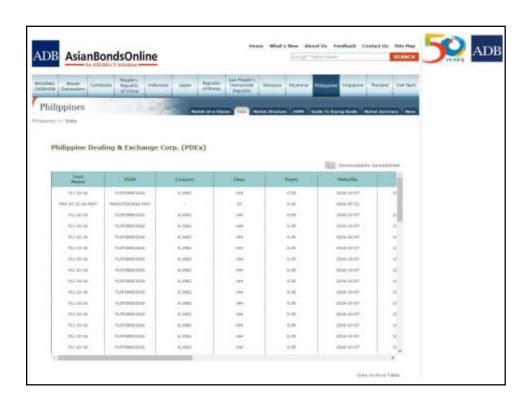
Given limited resources, this is what ABO can propose:

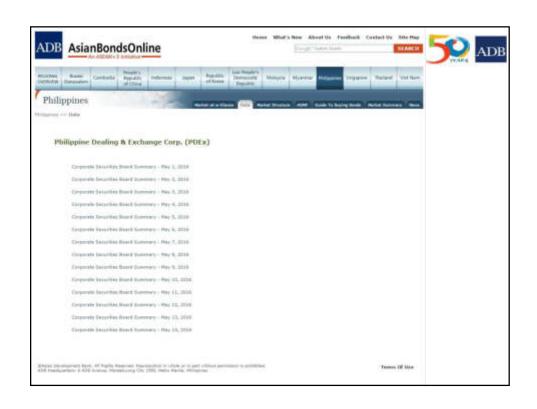
- •To provide bond-specific data
 - ABO will make available in the website the daily market trading statistics which will be provided by bond pricing agencies
- •To provide more flexibility in posting events and reports
 - ABO to revise section on What's New and will now also include a list of data which have been recently updated, and upcoming events
- •To be able to access ABMF and ABMI
 - ABO to provide links in the homepage

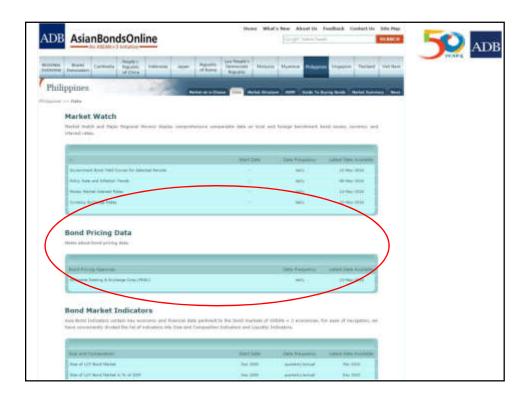
A website revamp, however, will be proposed to be included as one of our undertakings for the next AsianBondsOnline RETA which will be drafted in 2017.





















SESSION 3

WG-CBCR PROGRESS



Session 3: WG-CBCR Progress by ADB Secretariat

- Tentative survey results
- Next steps

22nd ABMF Meeting

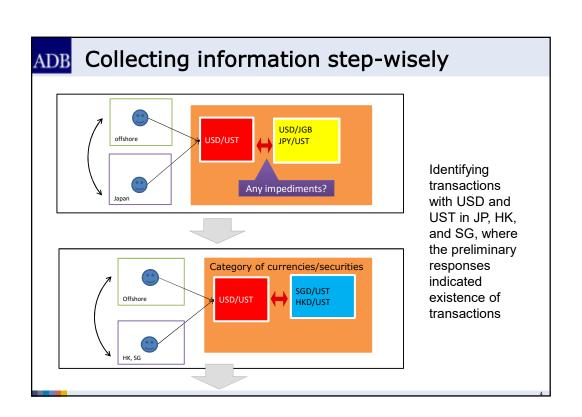
Satoru Yamadera, Principal Financial Sector Specialist, SDCC, Asian Development Bank Tokyo, 7 June 2016

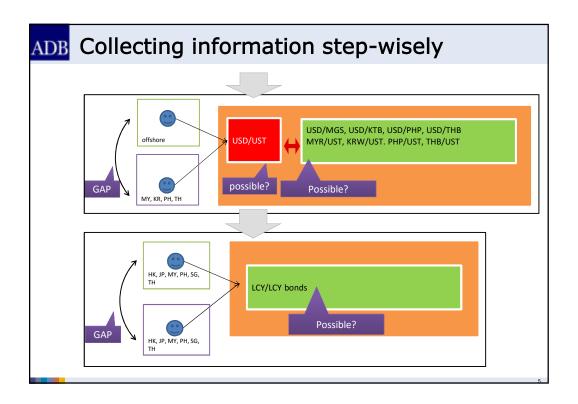
ADB Survey to understand current status of cross-border collateral and repo transactions in the region

- We sent a survey to WG-CBCR members to understand the current status and future needs of CBCR. In addition, we also held conference calls with experts.
- Tentative results from limited responses are as follows:
 - ✓ Cross-Border Collateral and Repo in the region is limited (not many institutions could respond).
 - ✓ It appears that there seems transactions in USD/UST, JPY/JGB, USD/JGB, AUS/AGB and USD/AGB in the region.
 - ✓ CBCR transactions are often booked outside the region, thus, it is not easy to collect information.
 - ✓ Information on cross-border transactions may be limited because data is not fully unified even within an institution, or data is not categorized to identify cross-border transactions.

ADB Adjustments to the study

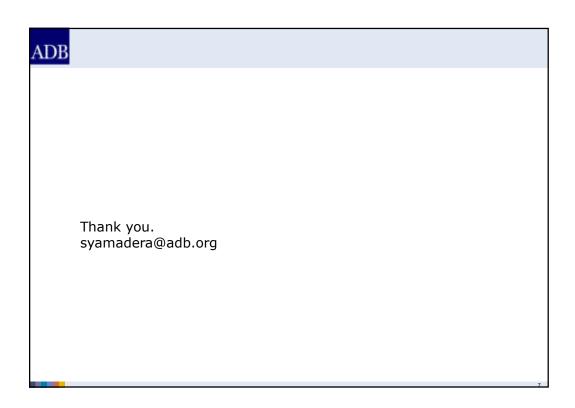
- Information needs to be collected from targeted source.
 - Entities involved in cross-border transactions are limited.
- The fact finding needs to be done step-wisely.
 - Cross-border collateral and repo can be recognized in limited markets.
 - Most of the transactions are USD/UST. CBCR may be identified from USD/UST to USD/local currency and LCY bonds.
 - Having said, this may be due to regulation, rather than lack of demand for LCY.
 - Tri-party repo may be an initial step to identify the transactions.





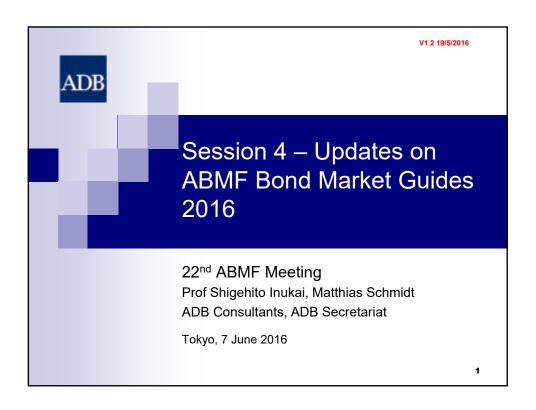
ADB Preliminary findings

- Cross-border collateral and repo in the region might be limited among international activity banks due to necessary legal arrangements.
 - —Players may be limited to US/European entities, but we need to investigate further.
 - —If this is the case, we need to find out why Asian banks are not so active.
- USD/JGB transactions seems increasing recently.
 - Extension of operating hours of BOJ-NET may have positive impact.
- There seems HKD/UST and SGD/UST.



SESSION 4

UPDATES ON ABMF BOND MARKET GUIDES 2016

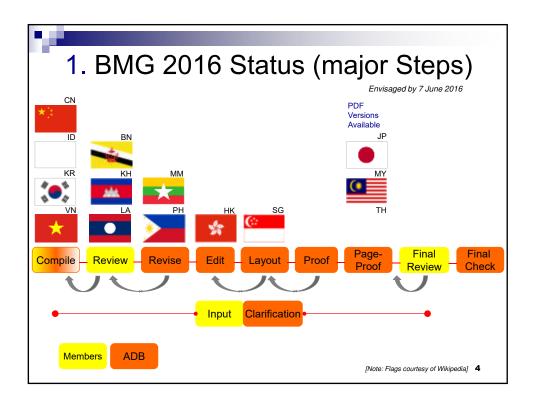


Session 4 Agenda

- 1. BMG 2016 Status
- 2. Selected Markets' Status
- 3. BMG Lessons and Observations
- 4. BMG Publication and Dissemination
- 5. BMG 2016 Work Next Steps
- 6. BMG 2016 for Reference
- 7. Thank you!
- 8. Questions & Answers

1. BMG 2016 Status

- Progress was not as fast as expected, but is accelerating...and the final product(s) has/have been awesome!
- Most markets at different stages of BMG update work
- Focus was on AMBIF Markets (for practical reasons)
- BMG 2016 template newly formulated, including guidance for nascent markets
 - Conversion of markets from 2012 to 2016 structure
 - Major work for major markets to reflect new developments
 - But structure flexible in line with market characteristics
- Separate meetings around 21st & 22nd ABMF Meeting to drive progress, address questions or pending subjects





1. BMG Status - Considerations

- > Status for each market is not a reflection of importance
- > Effort spent and time taken is very similar for every market
- Objective is to project each market in best possible manner. And, to achieve comparable level of information
 - > Which could mean additional focus on specific topics, or latest changes worth waiting for to be incorporated
 - > But, the amount of time taken by members to review matters
- As does the capacity of the SF1 team
 - > Each process step requires the involvement of the SF1 team, and SF1 team reviews each BMG at least 7 times (after compilation)
- ▶ PDFs of the following 5 markets will be available soon →

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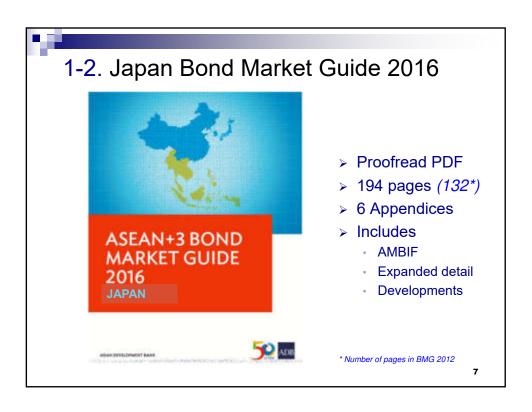
1-1. Hong Kong Bond Market Guide 2016

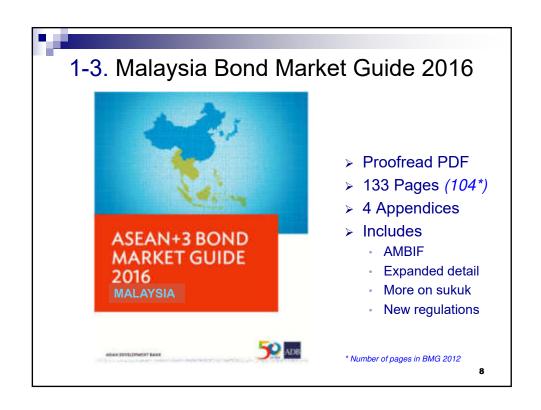
ASEAN+3 BOND MARKET GUIDE 2016 HONG KONG, CHINA

DEVELOPMENT SHAK

- > Being edited
- 117 pages in Word (80*)
- > 3 Appendices
- > Includes
 - AMBIF
 - Expanded detail
 - Latest on HKEX

* Number of pages in BMG 2012





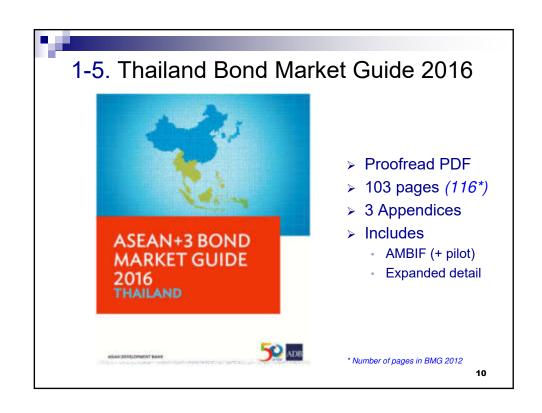
1-4. Singapore Bond Market Guide 2016 Being edited 136 pages in Word (170*) ASEAN+3 BOND MARKET GUIDE 2016 Includes

SINGAPORE

* Number of pages in BMG 2012

Expanded detail

AMBIF





2. Selected Markets' Status (1)

Brunei, Cambodia, Lao PDR

- Two new markets (Brunei, Cambodia) for BMG, one (Lao PDR) with significant updates across most subjects
- BMG 2016 templates provided, by using basic structure with guidance comments on what may be required; or conversion of first draft versions to latest structure, with additional comments and questions
- Good dialogue and material provided between meetings
- Need to ensure certain level of detail, but also to project markets well regardless of available features
- Practical target is Q4, 2016

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2. Selected Markets' Status (2)

Korea

- Very significant amount of information already exists
- Korean members are collecting updates and information on additional topics
- Discussions and conclusions expected from ABMF-K meeting to be held in May
- ADB Secretariat already provided latest template (based on Japan BMG 2016)
- Target timeline is September 2016



2. Selected Markets' Status (3)

Philippines

- Original 2012 BMG has limited detail on certain topics
- Much research and fact finding done in the past few months, now to be included in the document
- Some pending items might be concluded soon
- In addition, some impending, significant regulatory developments can hopefully be included in the 2016 BMG (please also refer to Session 5)
- Target timeline is September, 2016

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2. Selected Markets' Status (4)

Viet Nam

- VN has made promising progress over past few months on corporate bond issuance and registration for trading
- Official proposal for restructuring VN Corporate Bond Market was submitted to MOF, and circulated among key players in Vietnam Bond Market for their comments and feedback
- A new circular on corporate bonds (in which an issue of bond registration, i.e., a term to deal with profile listing, is resolved) has also been drafted and submitted for further comments and feedback among relevant departments
- MOF is expected to distribute circular among key players in Vietnam Bond Market by the end of June
- This info would be very important to be included in BMG 2016
- Target timeline, hence, is December 2016



3. BMG Lessons & Observations

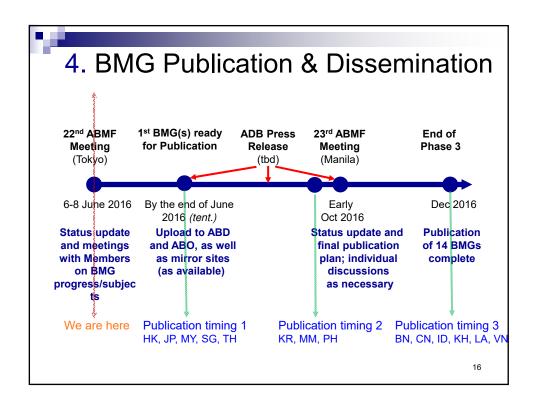
Some of the lessons learnt and observations during the compilation, edit, layout of the BMGs illustrated here:

Lessons learnt

- Keeping pace with edit, layout, proofreading advances
- Use of ADB English and styles (e.g. 'nonresident' and capitalization)

Observations

- Instances of inconsistent data (e.g. between central bank, pricing agency, info website) for same description, such as bonds outstanding, in same period
- Information outdated, or appearing outdated, on websites (incl. regulations)
- · ABO information (other than data) often past use-by dates...
- Differing dates of legislation and regulations (e.g. issuance vs. posting)
- Different treatment or use of official terms (e.g. related to investors, institutions)
- > Before we build an Information Platform, we need to fix our information...





4. BMG Publication & Dissemination

- Upload to ADB and ABO websites
 - ADB => ABMF website
 - ABO => country webpages (replace or add under Market Structure)
- Upload to mirror sites, e.g.
 - BPAM
 - NTT Data
 - SWIFT
 - Waseda University
 - · Additional mirror sites welcome
- Press release by ADB at time of initial publication
- Press campaign to be determined (Continuous effort required)
- Press release(s) by members, as practical (opportunity for the promotion of AMBIF, or the markets at large!)



5. BMG Work - Next Steps

- > SF1 to work with each market on (as applicable):
 - · Compiling or completing and reviewing input files
 - Obtaining clarifications
 - · Managing the final review process
 - · Finalizing document
 - Deciding on publication timing (End of June, End of Sept, End of Dec)
- Need to identify mirror sites
- Need to formulate ADB, member press release(s)
- Use opportunity of BMG publication for market purposes!
- Chance to update/revise ABO information based on new BMGs
- We will support each other to get to the finish line!



5. BMG 2016 Work – Next Steps

- Necessary approach proposed for Final Review by Members:
 - There may be a necessity for some BMG 2016 to be reviewed after page proof reading
 - Member timeframe for review within 2 to 4 weeks
 - Using approach 'unless we hear from you,' we will proceed as is
 - After 2/4 weeks, final check by ADB (DER)
 - · Upload on ADB, ABO websites
- SF1 believes this to be reasonable, since the document by then is based on member input, has been reviewed 7 times by SF1 team, and edited, layouted, proof read and checked by professionals
- > We hope for your support!

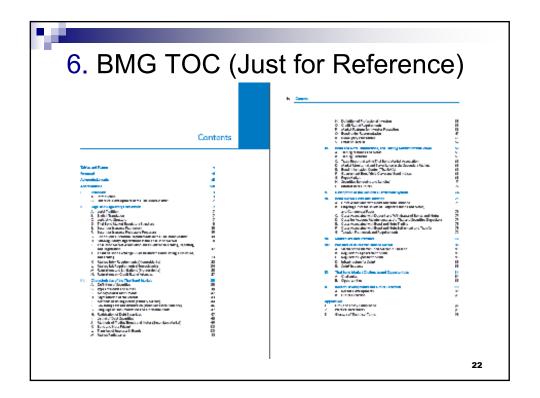
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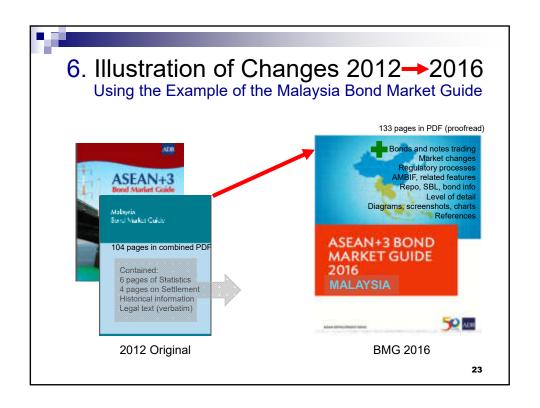


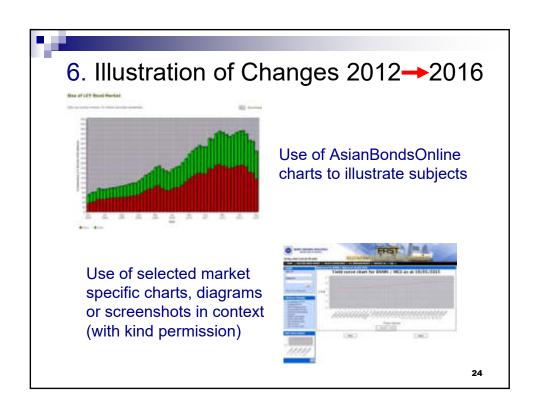
6. BMG 2016 for Reference

- BMG 2016 Structure
- BMG 2016 Table of Content (e.g. Thailand)
- Illustration of Changes from 2012 to 2016

6. For Reference: BMG Structure Cover (by Market) Contents (by Market) Table and Figures Foreword [by ADB] Acknowledgement [for each Market] Abbreviations [for each Market] Introduction II. Legal and Regulatory Framework Characteristics of the [Market] Bond Market Bonds and Notes Transactions, and Trading Market Infrastructure Description of the Securities Settlement System [reference only] VI. **Bond Market Costs and Taxation** VII. Market Size and Statistics [reference only] VIII. Presence of an Islamic Finance Market IX. [Market] Bond Market Challenges and Opportunities Recent Developments and Future Direction Appendix 1: G30 Compliance [for each Market] Appendix 2: Practical References [for each Market] Appendix 3: List of Relevant Legislation, Regulations [for selected markets, as practical] Appendix 4: Glossary of Technical Terms [for each Market] 21









To all ABMF Members and Experts:

Thank you so much for all your contributions, questions and ideas, and time spent reviewing and in dialogue with the SF1 team!!!

ADB Secretariat

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8. Questions & Answers

BMG 2016 is the official output for SF1 in 2016.

We would really appreciate for ABMF Members and Experts to actively share their thoughts and suggestions on this topic today.

Or via phone or email (please see contact details at the end).

> Many thanks for your active participation!



Prof. Shigehito Inukai

ADB Consultant Waseda University 1-21-1 Nishiwaseda, Shinjuku-ku Tokyo 169-0051

Office +81 3 5286 1994 Mobile +81 80 3360 7551 shige.inukai@me.com **Matthias Schmidt**

ADB Consultant

Office +61 3 95571314 Mobile +61 423 708910 macschmidt@me.com

SESSION 5

SYNTHETIC PESO NOTE

SYNTHETIC PESO NOTES

Presented by

Smetrix Fixed Income Partners, Inc.

Technology Provider

Rizal Commercial Banking CorporationArranger

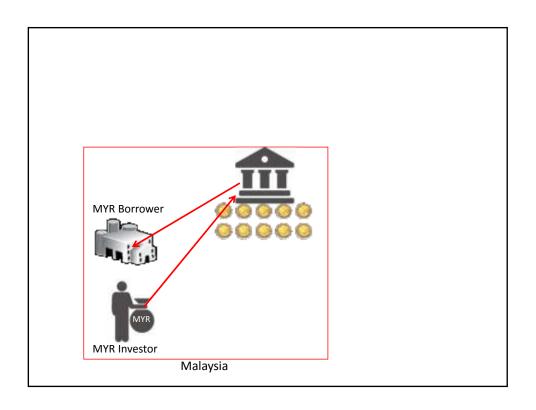


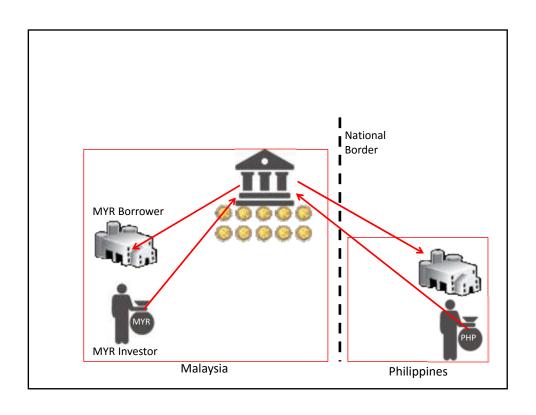
ASEAN ECONOMIC COMMUNITY

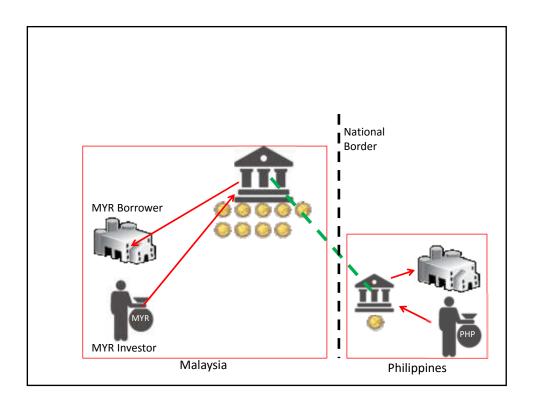
"Single Market and Production Base"

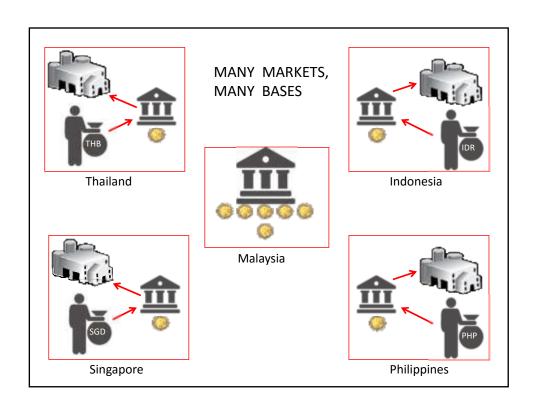
ASEAN + 3 MULTICURRENCY BOND ISSUANCE FRAMEWORK (AMBIF)

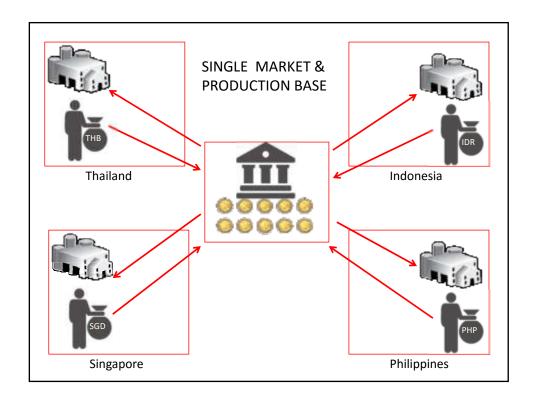
- ABMI policy initiative
- Facilitates intraregional transactions
- Standardizes processes for issuing and investing in bonds





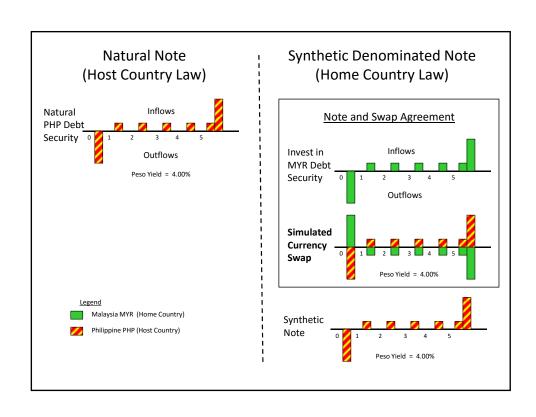


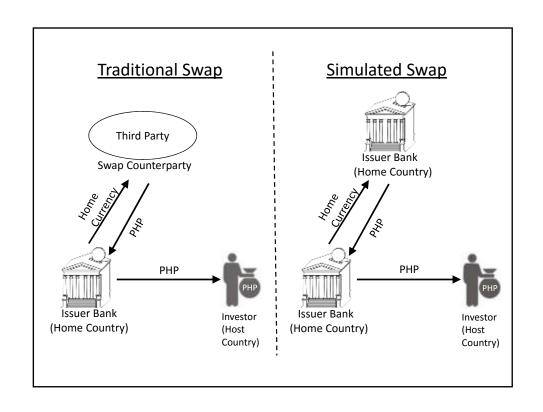


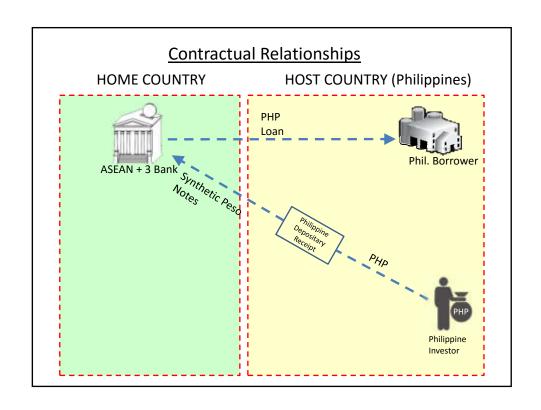


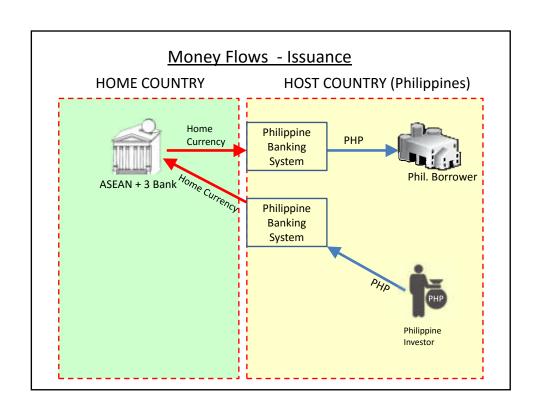
CROSS-BORDER DILEMMA

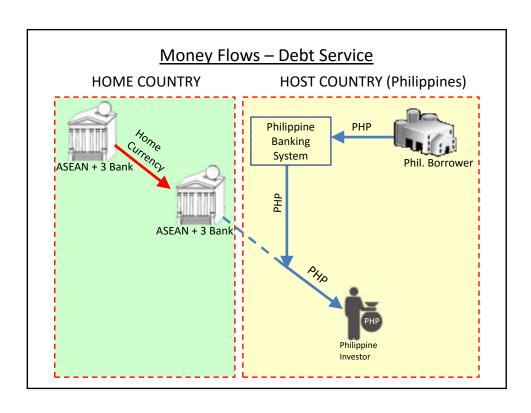
Governing Law	Advantage	Disadvantage
for Issuance		
Law of issuer's	Already licensed as a	Cannot issue
country	financial institution	securities
(Home Country)		denominated in Host
		Country Currency
Law of investors'	Can issue securities	■ Host Country
country	denominated in Host	license required
(Host Country)	Country Currency	duplication of
		costs & investment
		■ fragmentation of
		capital





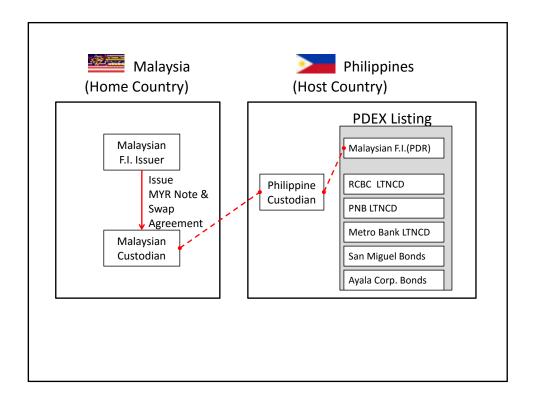






Depositary Receipt

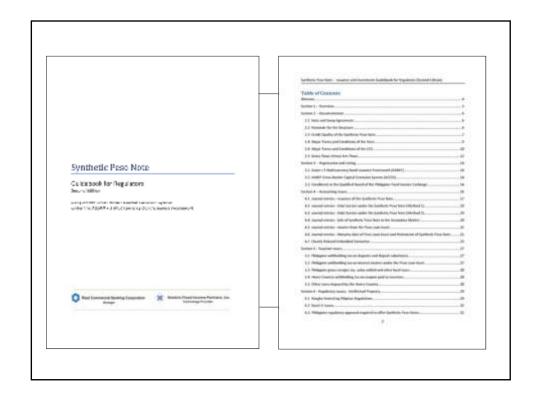
- A depositary receipt (DR) is a negotiable financial instrument issued by a custodian to represent a foreign company's publicly traded securities.
- The depositary receipt trades on a local stock exchange.
- Depositary receipts facilitate buying shares in foreign companies, because the shares do not have to leave the home country.



AMBIF Elements	Brief Description
Domestic Settlement	Bonds and notes are settled at a national CSD in ASEAN+3 markets.
Harmonized	A common approach of submitting information as input for
Documents for	regulatory process(es) where approval or consent is required.
Submission (Single	Appropriate disclosure information along with ADRB
Submission Form)	recommendation needs to be included.
Registration or Profile	Information on bonds, notes, and issuers needs to be disclosed
Listing in ASEAN+3	continuously in ASEAN+3 markets.
(Place of Continuous	Registration or a listing authority function is required to ensure
Disclosure)	continuous and quality disclosure.
Currency	The denomination of an issue is generally expected to be in the
	domestic currency of each ASEAN+3 market.
Scope of Issuers	Resident of ASEAN+3
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3.

TAKE-AWAYS

- Home Country banks do not need Host Country license to serve clients in Host Country
- 2. Cross-border bond issuance is better when the Home Country bank, as issuer, deals solely with its Home regulator
- 3. Investors from Host Countries remain protected by Host Country regulations



SESSION 6 UPDATE ON CGIF



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The information contained in this document is provided as at the date of this document and is subject to change without notice.

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New ABMI Medium-Term Road Map (2016 - 2018)

Operational Focus
Application Process
Guarantee Transactions

Profile of CGIF

Legal Structure A Trust Fund of the Asian Development Bank (ADB)

Governed by CGIF Articles of Agreement, ADB acts as the Trustee for CGIF's assets

Establishment 12 November 2010 (commenced operations May 2012)

Paid-In Capital US\$ 700 million Maximum Leverage 2 to 2.5 times

Contributors Governments of ASEAN+3

(Shareholders) (10 member countries of ASEAN + China, Japan, South Korea)

and Asian Development Bank (ADB)

Objective Development of Capital Markets in ASEAN+3

(Part of Asian Bond Markets Initiative (ABMI))

Main Operations Guaranteeing Bonds issued in ASEAN+3

Ratings Global Scale AA (Standard & Poor's) AAA (RAM - Malaysia)

ASEAN Scale AAA (Standard & Poor's, RAM - Malaysia)

National Scale AAA (RAM, MARC – Malaysia, TRIS Rating - Thailand)

S	hare	holo	ding	Struc	ture

	Contribution (USD)	Shareholding (%)
People's Republic of China	200,000,000	28.57%
Japan (Japan Bank for International Cooperation)	200,000,000	28.57%
Republic of Korea	100,000,000	14.29%
Brunei Darussalam	5,600,000	0.80%
Cambodia	100,000	0.01%
Indonesia	12,600,000	1.80%
Lao People's Democratic Republic	100,000	0.01%
Malaysia	12,600,000	1.80%
Republic of the Union of Myanmar	100,000	0.01%
Philippines	12,600,000	1.80%
Singapore	12,600,000	1.80%
Thailand	12,600,000	1.80%
Vietnam	1,100,000	0.16%
Asian Development Bank	130,000,000	18.57%
Paid-In Capit	al 700,000,000	

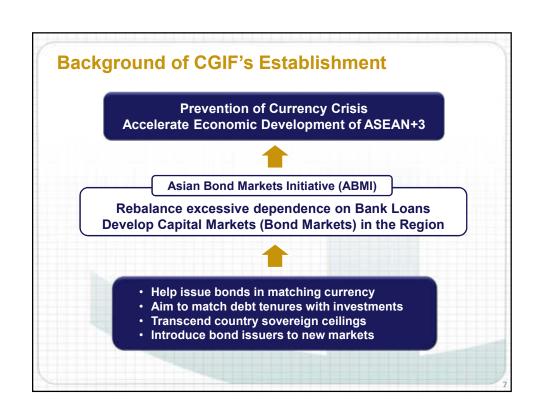
Board of Directors

	Members Represented
Mr. Jian Li	People's Republic of China
Ms. Junhong Chang	People's Republic of China
Mr. Toshiaki Kitajima	Japan (Japan Bank for International Cooperation)
Mr. Fumihiko Yamada	Japan (Japan Bank for International Cooperation)
Mr. Chang-Ho Jung	Republic of Korea
Ms. Christine Annette Engstrom	Asian Development Bank
Mr. Robert Pakpahan	ASEAN (Brunei Darussalam, Cambodia, Indonesia, Lac People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam)
Mr. Kiyoshi Nishimura	CGIF Management

External Advisory Panel

Mr. Fook Wah Wong (1st Member)

	Position
Mr. Kiyoshi Nishimura	Chief Executive Officer
Mr. Aarne Dimanlig	Chief Risk Officer
Mr. Boo Hock Khoo	Vice President, Operations
Mr. Tong Sop Song	Chief Financial Officer
Mr. Gene Soon Park	General Counsel
Mr. Hou Hock Lim	Corporate Planner and Head of Budget, Planning, Personnel and Management Systems
Ms. Jeong Ae Bang	Internal Auditor

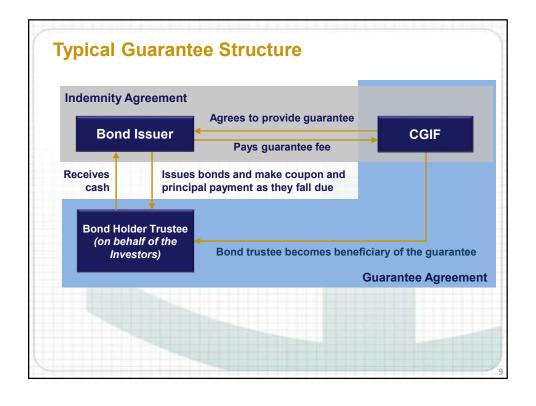


CGIF's Claims Paying Ability

- Guarantees supported by paid-in capital from contributors and conservative leverage policy – up to a maximum of 2 to 2.5 times
- USD 700 m capital resources fully paid-in & held in trust by AAA rated Asian Development Bank

(invested in minimum AA- rated investment securities for over 1 year tenor and cash or A-1 rated securities within 1 year tenor)

- AA / A-1+ Global Scale Ratings by Standard & Poor's
 AAA / P1 Global Scale Rating by RAM Ratings
- Guaranteed bond issues are expected to achieve
 AA rating in Singapore and AAA in other ASEAN LCY markets



Guarantee Terms

- Irrevocable & unconditional
- Covers non-payment event
- Guarantees 100% principal and interest payments
- CGIF retains right to (i) accelerate principal claim payments upon a demand made for a missed payment or (ii) maintain payment schedule

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Eligibility Criteria

- ASEAN+3 company
 (General Corporate, Project Finance Companies, Securitization)
- Acceptable credit profile to CGIF
- Bond proceeds not used for prohibited activities

 (e.g. arms production, alcoholic beverages, tobacco, gambling etc.

 full list on CGIF's website)
- Satisfies CGIF's environmental & social safeguard standards

Transaction Parameters

Within CGIF's Concentration Limits

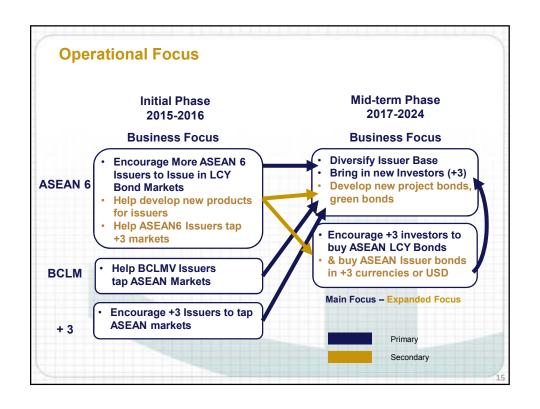
✓ Per Country: up to US\$ 350 million equivalent
 ✓ Per Currency: up to US\$ 700 million equivalent
 ✓ Per Industry: up to US\$ 350 million equivalent
 ✓ Per Industry per Country: up to US\$ 175 million equivalent
 ✓ Per Single Obligor: up to US\$ 140 million equivalent

Tenure ≤ 10 years (10-15 years possible subject to credit quality and justification)

Anticipated CGIF Assisted Transactions

- Cross border transactions (naturally or financially hedged)
- First time issuer in a domestic bond market (overcoming rating cliffs)
- Tenure extension
- Reach offshore investors (diversification of funding sources / investments)
- Project finance
- Securitization





Operational Focus - Project Bonds for Infrastructure -

- ☐ Infrastructure need favorable funding terms as risks reduce when they are funded via matching currency, fixed rate and long term project bonds
- ASEAN needs massive infrastructure investments Domestic bond markets can be alternative funding sources of fixed rate long term LCY funds
- Long term savings from ASEAN's young population growing rapidly Infrastructure projects with stable cash flow post-completion can provide attractive LT investment opportunities for growing LT savings
- Besides Malaysia, LCY project bonds do not yet exist in ASEAN
- ☐ CGIF can play a critical catalytic role to develop LCY project bond markets in ASEAN through guarantee support
- Introducing pilot project bonds including green bonds (solar) to local institutional investors in ASEAN LCY bond markets as a new asset class
- Leading in deal structuring and acting as a controlling creditor in analyzing and monitoring projects on behalf of local bond investors
- Covering construction risks CGIF is developing a first of its kind construction period guarantee facility to encourage project bonds for greenfield projects
- Bringing-in risk sharing partner(s) to overcome capacity limit in supporting large infrastructure projects – e.g. Risk sharing with ADB in the first project bond in Philippines for AP Renewables Inc's geothermal power project.

1

Operational Focus - Construction Period Guarantee Facility -

- □ CPGF will catalyze LCY project bond market by covering construction phase risks.
- CGIF's Construction Period Guarantee Facility ("CPGF") is aimed at allaying bond investors'
 concerns about construction risks by guaranteeing the completion of construction works and
 the commencement of the operations phase in a project which will be financed by project
 bonds issued in the local currency bond market in the region.
- CPGF will be deployed to projects in the ASEAN+3 region for qualifying green-field projects. Guaranteed debt instrument should be local currency bond or notes issued via public or private placement by a ring-fenced Special Purpose Vehicle to finance a specific infrastructure project.
- Under this facility, CGIF irrevocably, unconditionally guarantees non-payment of scheduled payments for the project's bonds occurring prior to the commencement of commercial operations.
- If a project's completion is delayed, CGIF shall ensure that the project bonds are adequately serviced on a timely basis. In the unlikely event that it cannot be completed, CGIF shall accelerate the guaranteed bonds and pay 100% principal and accrued interest amounts owing to bondholders.
- CGIF's CPGF will terminate upon the commencement of commercial operations as defined in the project documents.
- CPGF is anticipated to boost the use of local currency project bonds for new projects in the region by eliminating construction risks for bondholders investing in green-field projects.

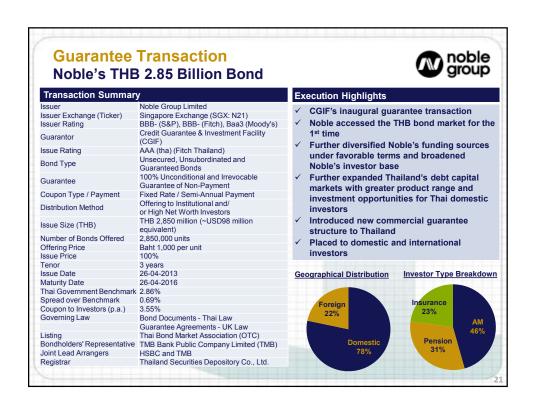
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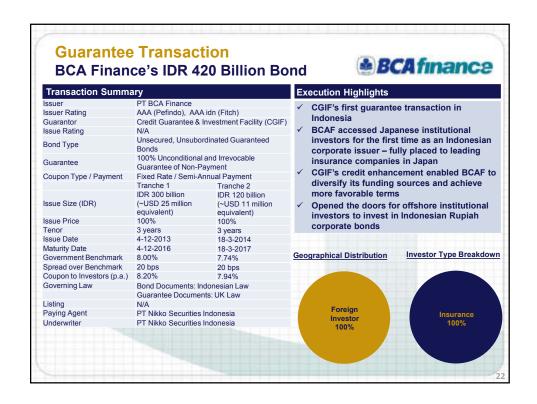
Operational Focus - Securitization -

- ☐ Securitization of Infrastructure, Mortgages, SME loans, financial and property assets can provide alternative financing options for corporates and households in ASEAN
- Securitisation of Infrastructure is a much touted concept which has yet to be introduced in ASEAN. Developing the framework to package safe cashflow streams for long term investors via the capital markets starting with solar power and other infrastructure assets will be a major milestone to fill the region's infrastructure deficit. CGIF is working on a pilot project for the securitisation of solar power assets as a template.
- High transaction costs prevent SMEs' access to capital markets as an alternative to bank loans – bundling SME loans through securitization will facilitate SMEs' access to the bond market and support supply-chain development
- Rapidly accumulating consumer loans and auto loans in ASEAN need stable funding base securitization will provide a stable funding base to growing non-bank financial sector and improve financial stability
- Long term loans like residential mortgages, commercial real estate loans need long term funding – better if funded via the capital market instead of short-term bank deposits to reduce maturity mismatches in the banking system. CGIF is looking to develop a multi-currency ASEAN Residential Mortgage-Backed Securitisation (RMBS) Framework with Cagamas.
- ☐ CGIF has a strong role to kick-start this market
- Securitization is a useful tool in developed markets which did not yet have a chance to be fully developed in ASEAN – local investors have become averse to securitization due to the sub-prime crisis in the US.
- CGIF can help bring pilot securitization transactions to LCY bond markets to familiarize local investors with securitized products.

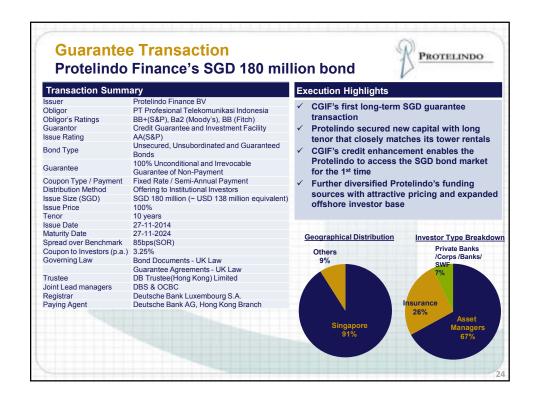
Application Process Due Diligence & **Preliminary Formal Assessment Application Approval** Submission of Due diligence by Formal Application **Preliminary CGIF** deal team by potential issuer Information Pack (PIP) to CGIF Approval from the GIC for the Submission of **CGIF** deal team guarantee exposure detailed information assesses eligibility to CGIF **Endorsement from** CGIF's Board of Clearance from the **Directors Guarantee and** Investment **CGIF** extends Committee (GIC) to **Guarantee Offer to** apply issuer around around 2-3 weeks 8 -12 weeks

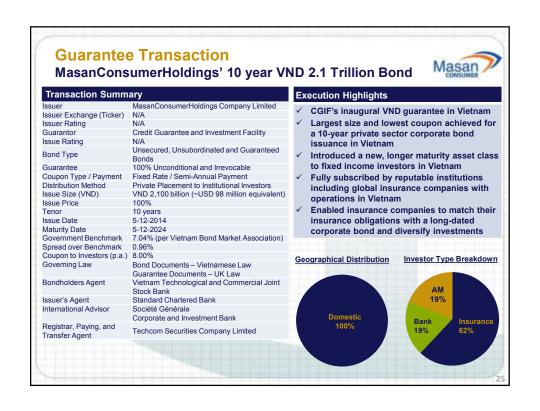
Issuer Sector Currency / Amount Tenure Issue Date								
	Issuer	Sector	Currency / Amount	Tenure	Issue Date	(spread over benchmark)		
1	Noble Group (Hong Kong)	Commodity trading	THB 2,850 mio (USD 98 mio)	Зу	26 Apr 2013	3.55% (+69bps)		
2	PT BCA Finance	Consumer (auto)	IDR 300 bio (USD 25 mio)	Зу	4 Dec 2013	8.20% (+20bps)		
_	(Indonesia)	finance	IDR 120 bio (USD 11 mio)	Зу	18 Mar 2014	7.94% (+20bps)		
3	Kolao Holdings (Lao PDR)	Automobile dealer	SGD 60 mio (USD 48 mio)	Зу	21 Aug 2014	2.00% (+95bps)		
4	Protelindo Finance BV (Indonesia)	Telecom tower leasing	SGD 180 mio (USD 138 mio)	10y	24 Nov 2014	3.25% (+85bps)		
5	MasanConsumerHoldings (Vietnam)	Food	VND 2,100 bio (USD 98 mio)	10y	05 Dec 2014	8.00% (+96bps)		
6	PT Astra Sedaya Finance (Indonesia)	Consumer (auto) finance	SGD 100 mio (USD 76 mio)	Зу	18 Dec 2014	2.115% (+86.5bps		
7	IVL Singapore PTE. LTD (Thailand)	Chemicals	SGD 195 mio (USD 137 mio)	10y	7 Oct 2015	3.73% (+80bps)		
8	Vingroup Joint Stock Company	Real Estate	VND 1,950 bio (USD 87 mio)	5у	18 Feb 2016	7.75% (+129bps)		
•	(Vietnam)	Management & Development	VND 1,050 bio (USD 47 mio)	10y	18 Feb 2016	8.50% (+138bps)		
9	AP Renewables, Inc. (Philippines)*	Renewable Energy	PHP4,687 mio (USD100 mio)	10y	8 Mar 2016	Undisclosed		
10	PT Mitra Pinasthika	Consumer (auto)	IDR 140 bio (USD 11 mio)	Зу	11 Mar 2016	8.52% (+55bps)		
ויי	Mustika Finance (Indonesia)	finance	IDR 160 bio (USD 12 mio)	Зу	28 Apr 2016	7.77% (+55bps)		



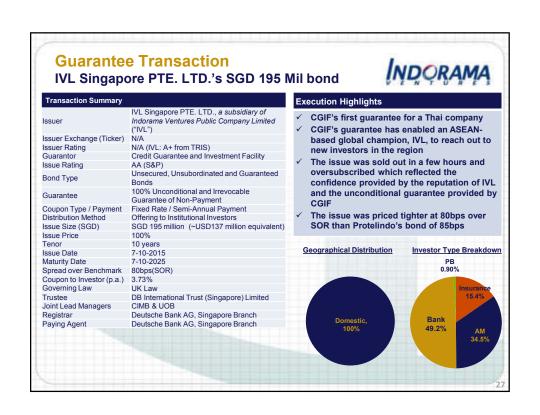


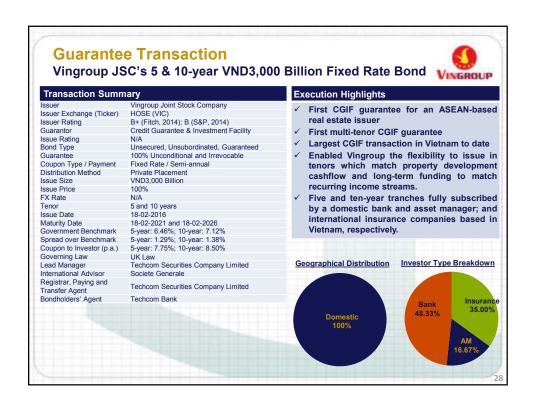


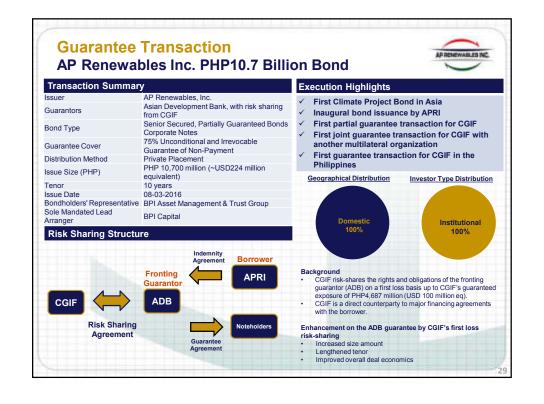


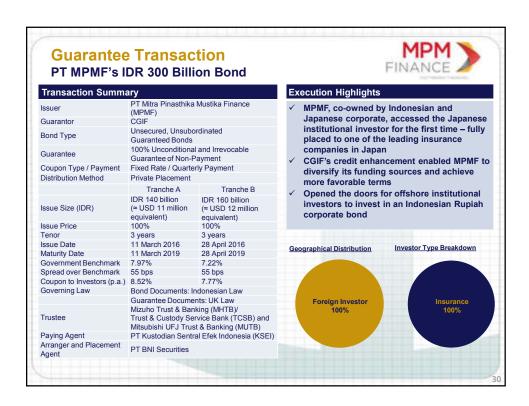


Transaction Summ	edaya Finance's 3 year SG		d ACC
Issuer Exchange (Ticker) Issuer Rating Guarantor Issuer Rating Bond Type Guarantee Coupon Type / Payment Distribution Method Issue Pice Tenor Issue Pate	PT Astra Sedaya Finance N/A idAAA (PT Pefindo) / AAA (idn) Fitch Ratings Credit Guarantee and Investment Facility N/A Unsecured, Unsubordinated and Guaranteed Bonds 100% Unconditional and Irrevocable Fixed Rate / Semi-Annual Payment Private Placement SGD 100 million (~USD 76 million equivalent) 100% 3 years 18-12-2014	Execution Highlights Catalyzed ASF to tap to market for the first tim Diversified ASF's fund domestic debt capital Channeled regional sa Indonesian economy the Indonesian multi-f Enabled offshore inveto ASEAN currency be Indonesia's demograp	ling sources beyond markets avings to support the and fuel the growth of inance sector stor to gain exposure and market and enjoy
Maturity Date Government Benchmark Spread over Benchmark Coupon to Investor (p.a.)	0.865%	Geographical Distribution	Investor Type Breakdow
Governing Law Lead Manager Deal Structurer	Bond Documents – UK Law Guarantee Documents – UK Law The Hongkong and Shanghai Banking Corporation Limited Société Générale Corporate and Investment Bank	Domestic 100%	Bank 100%
Fiscal, Paying and Transfer Agent, and Registrar Settlement Agent	The Hongkong and Shanghai Banking Corporation Limited The Hongkong and Shanghai Banking Corporation Limited		









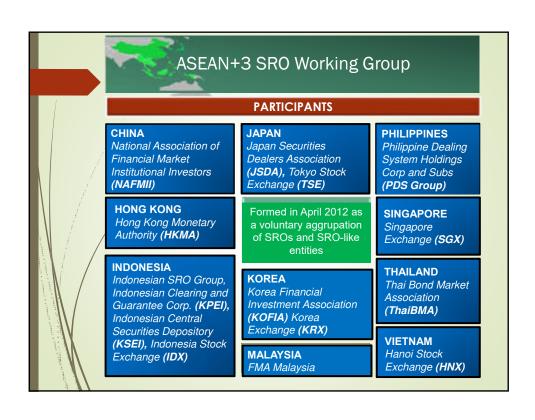


SESSION 7

SRO BY ASEAN+3 SRO GROUP

Significance of the SRO Role in the AMBIF Bond Market

Cesar B. Crisol
Chairman
ASEAN+3 SRO Working Group



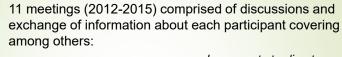
ASEAN+3 SRO Working Group

RESOLUTION

To undertake collaborative efforts amongst participants to facilitate ASEAN+3 Regional Bond markets, including, among others, how to set up an SRO framework (i.e. structure, common requirements and collaboration design) without precluding agreements among members and in coordination with the ABMF.

ASEAN+3 SRO Working Group

DISCUSSION ITEMS

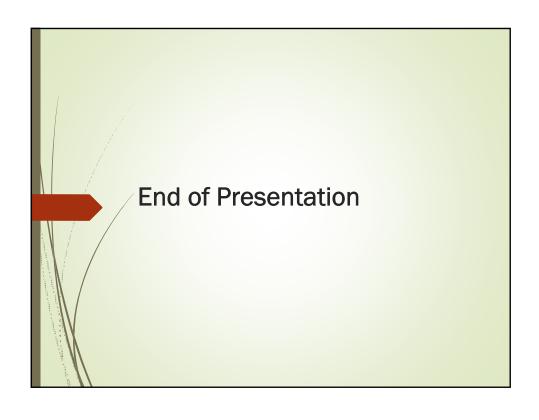


- Regulatory Framework
- Market Structure
- Conventions
- Issuance to trading to clearing and settlement to post-settlement processes

Also taken up: special studies on other developed multicountry or regional market structures

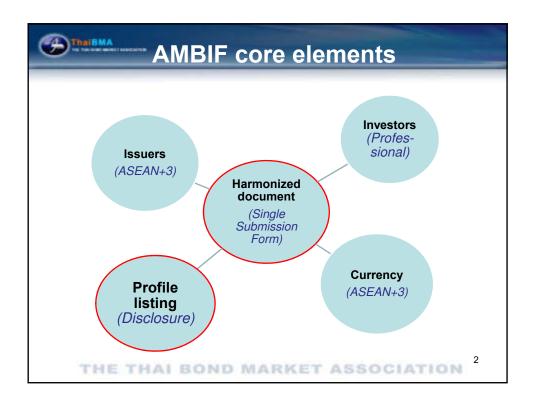
Output: Summary Report covering role and structure of SROs including a comparative analysis (similarities and differences) of:

- · SRO Roles and Structures
- Bond Market Practices
- Repo Market Structure / Practices





THE THAI BOND MARKET ASSOCIATION





Key features

THB bond issued by Mizuho bank is the first bond issuance under ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF).

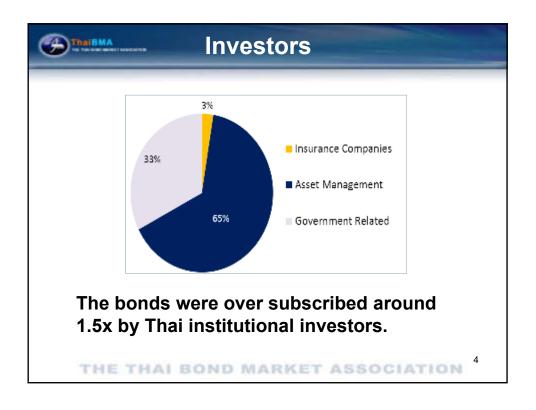
• ThaiBMASymbol MHBK189A

• Tenor 3 year

Issue date 28 September 2015
 Issue size THB 3,000 Billion
 Rating AAA(Tha) by FITCH

Coupon 2.33%Registrar TSD

THE THAI BOND MARKET ASSOCIATION





Highlights

MIZUHO

Mizuho Bonds (MHBK189A)

- MHBK189A uses the new international standard filing form (Single Submission Form) for SEC approval.
- The bonds are registered with ThaiBMA on September 28, 2015.
- With registration at ThaiBMA (profile listing), the information on MHBK189A are provided to investors continuously. This include bond features, prospectus, corporate actions, trading data, credit spread and mark to market prices on a daily basis.

Bond registration with ThaiBMA is mandated by the SEC to ensure continued disclosure and daily MTM prices.

Regulatory bodies involved in THB bond offering approval in Thailand

- 1. Securities and Exchange Commission (SEC)
- 2. Public Debt Management Office (PDMO), MOF
- 3. Thai Bond Market Association (ThaiBMA)
- 4. Bank of Thailand (BOT)

Single submission form is accepted by all regulatory bodies.

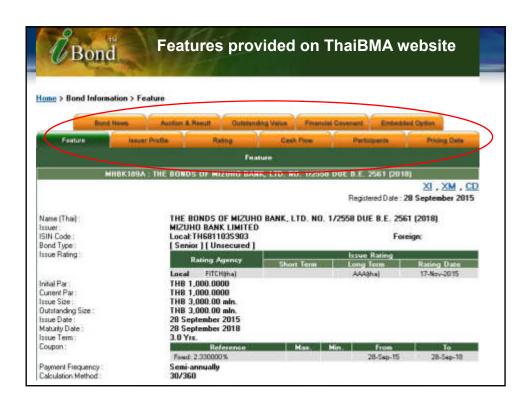
THE THAI BOND MARKET ASSOCIATION

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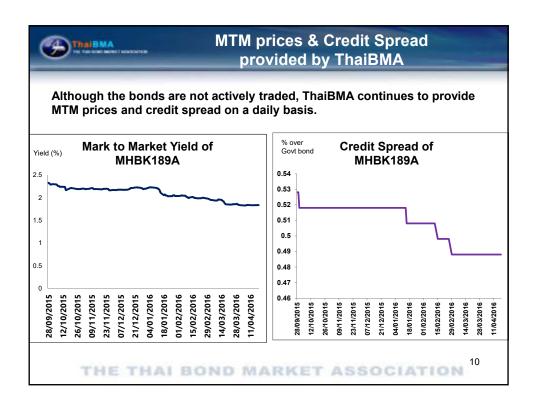


- Disclosure of information e.g. features, updated news
- Set market convention e.g. calculation standards, day count method, book closing period, etc.
- Enforce disclosure requirements
- Monitor trading transactions
- · Dissemination of trading data

THE THAI BOND MARKET ASSOCIATION



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W D	ond								1	An Intelliger	nt Bono	l Solut	ion
Bond	Coupen	Harwitz	TTM	Last	Totale	Mode	i	D	oily Rel	lerence Scallenc	nt on 12-1	tay 16	1100000
SERVICE:	SES INS	Resident All	(Yes	Date	Exec. Yid W	Model Yield(%)	Spread(bp)	Harket Yield[1	DM (Clean Price (%)	MIN	M00*	0.03
AD8169A	5.54	18-Sep-2016	0,35	LUMBY 15	· 4	1.483986	11.773142	1,463986	4	101.399590	0.834795	0.350822	9.297
APD 166A	4.6	29-Jun-2016	0.13			1.367394	1.104700	1,367394	14	100.415463	1.701370	0.130514	0.081
CABESTOA	5.97	11-Dec-2017	1.58			1.680634	27.000000	1.680634		106.659655	2.502493	1,488219	3.038
CABEIZ12A	4.88	17-Feb-2021	4.77	24He/4	4.::	1,868391	30.452902	1.068391		113.675037	1.136438	4.261679	21.51
CBAIREA	4.8	04-Jun-2016	0.06	100-09-14	41/222	1.483675	12.906967	1.483675	18	100 200552	2.104110	0.062550	0.034
EDUZAA	4.68	04-Apr-2017	0.90	27.19%	2	2.144169	77.557069	2.144169	14	102.233227	0.487233	0.876569	1.207
EDLGEN19DA	4.95	12-Dec-2019	3.59	25-9ep-15	÷:	3.832834	242.830495	3.832834		103.698845	2.061370	3,208860	12.54
EDLGEN21DA	5.2	12-Dec-2021	5.59			4.037305	247.717583	4.037305		105.751072	2.165479	4.746754	27.11
EDEGENOMOA	5.45	12-Dec-2024	8.59	28406:45	5127222	4.335809	262:697281	4.335609		107.906111	2.269589	6.750704	55.86
HANA192A	4.49	15-Feb-2019	2.76	150.074	y.:	2.100504	65.301810	2.100504	10	106.388054	1.057918	2.583407	8,206
KEXIMIB3A	3.81	11-Mar-2018	1.83	J490915	· :	1,649491	23.729292	1.649491		103.870398	0.647178	1.765800	4.050
ABBIMUCES	6.28	07-Aug-2018	2.24	L/WENTS	*::	1,700673	29.072947	1,700673		110.021086	1.834521	2.081785	5.552
KEXIM189A	2.18	04-Sep-2018	2.32	11-14-15	* /2	1.730000	31.984058	1.730000	1	101.006837	0.412110	2.242679	6.216
KEXIHQ05A	3.95	28-Jun-2020	4.13	WHE/5	2.:	1,945314	44.981344	1.945314		107.909061	1.471781	3,775030	16.90
KEXING INA	4.4	25-Nov-2021	5.54			2.103817	51.312520	2.103817	-	111.940328	-0.156712	4.964573	28.63
EEXIM226A	3,9	27-Aug-2022	6.30	21-Jk91.	3.4:	2.171956	54.087311	2.171956		110.116000	0.801370	5.577395	36.14
EEXIMQ33A	4.34	11-Mar-2023	6.83	09486944	Y ::	2.259597	60.448723	2.259597		113.085690	0.737205	5,943461	41.26
KEXIMOSTA	4.78	31-Jul-2025	9.22			2.365858	62.988903	2.385858	4	119.711350	1.335781	7.556720	68.06
KEXINOS7B	4.78	31-34-2025	9.22			2.385858	62 988903	2.365858		119.711350	1.335781	7.556720	58.06
MHBK 189A	2.33	28-Sep-2018	2.38			1,898043	48.909656	1.898043	-	100.990314	0.287260	2.302403	8.523
MOFLIESA	4.5	30-May-2016	0.05	*** He -16	2:	2.465473	112.073589	2.465473	(e.	100.104596	2.021918	0.048715	0.026
MOFL16DA	4.7	04-Dec-2016	0.58	09-9ep-1c	2::	2.508219	113.312057	2.508219	(*,	101.209710	2.060274	0.544821	0.571





Overcoming challenges

- > Clarification on terms and conditions rationale including tax matters in relation to Japanese Law
- > Alignment on appropriate disclosure to all investors
- Educating and introducing the international standard filing form to the related authorities and local investors

THE THAI BOND MARKET ASSOCIATION 12



SUB FORUM 1 (SF1) WRAP UP

- NEXT STEP OF ABMF



SF1 Wrap up: Next step of ABMF by ADB Secretariat

22nd ABMF Meeting

Satoru Yamadera, Principal Financial Sector Specialist, SDCC, Asian Development Bank Tokyo, 7 June 2016

The Joint Statement of the 19th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting



- Establishment of ASEAN+3 Macroeconomic Research Office (AMRO) as an international organization.
- Endorsement of ABMI New Medium-Term Road Map
 - "Under the new Road Map, we will promote green bonds, covered bonds, prime collateral for repo markets, and municipal finance in selected member economies to help meet the demand for infrastructure development with the local currency-denominated bonds."
 - "We also expect to see additional cross-border bond issuance under the ASEAN+3 Multi-currency Bond Issuance Framework (AMBIF) and the progress made under the Cross-Border Settlement Infrastructure Forum (CSIF) as the central banks and central securities depositories in ASEAN+3 continue to work toward implementing CSD-RTGS linkages over the medium-term. "



Key activities of TF3

- Advance achievements made under AMBIF.
 - AMBIF to increase a variety of bonds and to promote inter-ASEAN bond issuance.
- Advance cross-border bond transactions and promote regional bond market integration.
 - Identify regulatory and tax hurdles, and challenges relating to collateral in the repo markets and securities lending and borrowing for policy makers' consideration.
- Promote adoption of international standards, including ISO20022, and standardization of regulatory and tax procedures for cross-border bond transactions.
 - In addition, a study will be carried out to assess the feasibility of establishing an information platform and identify key factors that impede the success of an attempt to establish electronic trading platform by member countries.

THANK YOU END OF SF1 MEETING