Objective of the Webinar: To update members on the ABMI Progress Report; dialogue with members on ABMF activities for 2022.

Form and Duration: The webinar takes the format of information sharing, with an introduction and a general presentation from ADB Secretariat; ABMI Task Force (TF); dialogue with ABMF members and the contribution from one or two speakers on specific topics, using 15-20 min presentations each, followed by a Q&A session. The duration is aimed at a maximum of two hours.

Target Audience: The members and observers of ASEAN+3 Bond Market Forum (ABMF) and Cross-Border Settlement Infrastructure Forum (CSIF) under the Asian Bond Markets Initiative (ABMI), being representatives from central banks, securities regulators, ministries of finance, stock exchanges, CSDs, financial market associations, and private sector financial experts in ASEAN+3.

*Participants should not circulate the deck without consent from ADB*
OPENING REMARKS

MR. SATORU YAMADERA
Advisor, ERCD
Asian Development Bank

*Participants should not circulate the deck without consent ADB*
FOR PARTICIPANTS:
① Set your NAME in Zoom, use your FULL NAME in ENGLISH (Format: ADB – Satoru Yamadera)
② For this meeting, participants microphone and video will be DISABLED
③ Please post your question in the Q&A box
④ If you experience technical issues, please try to log out and log back in

FOR SPEAKERS:
① Set your NAME in Zoom, use your FULL NAME in ENGLISH, so people can identify you (Format: ADB – Satoru Yamadera)
② SWITCH ON your VIDEO when presenting
③ During Q&A: The Moderator and Presenter(s) should SWITCH ON their VIDEO
④ We will follow the time allocation strictly. The moderator may prompt the presenter to start wrapping up, if needed

Our Speakers

ANUJ AWASTHI
Vice President, Operations
Credit Guarantee Investment Facility

SHU TIAN
Senior Economist, ERCD
Asian Development Bank

BYUNG-WOOK AHN
Financial Sector Specialist, ERCD
Asian Development Bank

MARVIN CASTELL
Assistant Director
And Head of Finance Integration Division
ASEAN Secretariat

KOSINTR PUONGSOPHOL
Financial Sector Specialist, ERCD
Asian Development Bank

MR. SATORU YAMADERA – Chair of the Meeting
Advisor (ERCD)
Asian Development Bank

HOUSE RULES

<table>
<thead>
<tr>
<th>TIME</th>
<th>PROGRAM</th>
</tr>
</thead>
</table>
| 2:00 - 2:05PM (5 mins) | Opening Remarks
• Mr. Satoru Yamadera, Advisor (ERCD), Asian Development Bank (ADB) |
| 2:05 – 2:35PM (30 mins) | Session 1: Update from Task Force 1 (TF 1)
• Mr. Anuj Awasthi, Vice President, Operations, CGIF
• Mr. Kosintr Puongsophol, Financial Sector Specialist, ERCD (ADB), ADB |
| 2:35 – 2:50PM (15 mins) | Session 2: Update from Task Force 2 (TF2)
• Dr. Shu Tian, Senior Economist (ERCD), ADB |
| 2:50 – 3:05PM (15 mins) | Session 3: Update from Task Force 3 (TF3)
• Mr. Satoru Yamadera, Advisor (ERCD), ADB |
| 3:05 – 3:20PM (15 mins) | Session 4: Update from Task Force 4 (TF4)
• Mr. Byung-Wook Ahn, Financial Sector Specialist (ERCD), ADB |
| 3:20 – 3:35PM (15 mins) | Session 5: Technical Assistance Coordination Team (TACT)
• Mr. Marvin Castell, Assistant Director/Head of Finance Integration Division, ASEAN Secretariat |
| 3:35 – 3:50PM (15 mins) | Q&A |
| 3:50 – 3:55PM (5 mins) | Closing Remarks
• Mr. Satoru Yamadera, Advisor (ERCD), Asian Development Bank |
SESSION 1
Update from Task Force 1 (TF1)

*Participants should not circulate the deck without consent from ADB*
Update from CGIF

*Participants should not circulate the deck without consent from ADB*
FY21 GUARANTEE OPERATIONS

• Despite COVID-19, CGIF managed to accomplish 7 guarantee issuances (for 7 issuers with 12 bonds/sukuks) for the year 2021, with an equivalent amount of $373 million.

• CGIF achieved breakthroughs by guaranteeing its first green bonds in Singapore (CNH) and Malaysia, first sukuk and first public IDR bond in Indonesia, first private placement in Cambodia, first MTN Program and first social bond in Thailand; first CNH and first MYR transactions; and 3 infrastructure-related bonds and 5 AMBIF bonds were given CGIF’s guarantee support in 2021.

• In 2021, The Asset delivered 3 awards to 3 bonds guaranteed by CGIF—Triasmitra (Indonesia) and Telcotech (Cambodia) were both awarded the Best Local Currency Bond and Thaifoods (Thailand) the Best Social Bond.
2022 GUARANTEE OPERATIONS

• By April 2022, CGIF successfully issued guarantees to 4 bonds/sukuks issued, which comprises issuances denominated in the currencies of IDR, CNH, and SGD, respectively, totaling a guarantee amount of $167 million.

• These guarantees represent CGIF’s 1) continued support for sukuk; 2) 2\textsuperscript{nd} guarantee for dim sum bond; and 3) 2\textsuperscript{nd} social bond, which demonstrates support for the ASEAN’s first healthcare social bond to be publicly distributed and denominated in an ASEAN local currency.

• Several transactions in the pipeline are [being considered for] AMBIF (4), infrastructure-related (2), thematic bond (2), project finance (1), and securitization (1) as well as potential collaboration with other entities.

Updates are as of 7 April 2022.
2022 GUARANTEE OPERATIONS

• CGIF has fervently extended its footprint by guaranteeing bonds issued in 9 currencies namely THB, IDR, SGD, VND, PHP, MYR, KHR, JPY, and CNH and exploring opportunities in the nascent markets.

• This brings CGIF’s cumulative total to 56 bonds guaranteed to 38 corporates from 12 economies with an equivalent guarantee amount of $2,762 million; a total of 12 bonds have been redeemed equivalent to an amount of $537 million.

• CGIF received a guarantee call in December 2021 on one account and discharged its obligations per the guarantee agreement. Net exposure is around $63 million after reinsurance payment and we are closely monitoring and negotiating for the reimbursement.

Updates are as of 7 April 2022.
Exposures are net of actual/indicative reinsurance/co-financing as of 7 April 2022.
Exposures are net of actual/indicative reinsurance/co-financing as of 7 April 2022.
## PRUDENTIAL LIMITS

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid-In Capital</td>
<td>$1,145,127,389</td>
</tr>
<tr>
<td>Reserve</td>
<td>$109,458,286</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>$37,163,736</td>
</tr>
<tr>
<td>Loss Reserves*</td>
<td>($12,360,535)</td>
</tr>
<tr>
<td>MGC</td>
<td>$3,198,472,191</td>
</tr>
</tbody>
</table>

*Considers issued and BOD-approved accounts.

<table>
<thead>
<tr>
<th>Limit</th>
<th>Percentage of MGC</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Limit</td>
<td>20%</td>
<td>$639,694,438</td>
</tr>
<tr>
<td>Intermediate Jurisdiction</td>
<td>20%</td>
<td>$639,694,438</td>
</tr>
<tr>
<td>Aggregate Intermediate Jurisdiction</td>
<td>40%</td>
<td>$1,279,388,876</td>
</tr>
<tr>
<td>Currency Limit</td>
<td>40%</td>
<td>$1,279,388,876</td>
</tr>
<tr>
<td>Aggregate Sector Limit</td>
<td>40%</td>
<td>$1,279,388,876</td>
</tr>
<tr>
<td>Aggregate Industry Limit</td>
<td>20%</td>
<td>$639,694,438</td>
</tr>
<tr>
<td>Country Industry Limit</td>
<td>10%</td>
<td>$319,847,219</td>
</tr>
<tr>
<td>Group exposure/Single borrower limit</td>
<td>20% of Paid-In capital</td>
<td>$229,025,478</td>
</tr>
</tbody>
</table>

*Considers issued and BOD-approved accounts.
## GUARANTEE OVERVIEW

### Cumulative Footprint

<table>
<thead>
<tr>
<th>Country</th>
<th>Guarantee Issued</th>
<th>Net Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>$690mn</td>
<td>$1,399mn</td>
</tr>
<tr>
<td>Thailand</td>
<td>$469mn</td>
<td>$695mn</td>
</tr>
<tr>
<td>Singapore</td>
<td>$366mn</td>
<td>$71mn</td>
</tr>
<tr>
<td>Indonesia</td>
<td>$364mn</td>
<td>$48mn</td>
</tr>
<tr>
<td>Korea</td>
<td>$240mn</td>
<td>$19mn</td>
</tr>
<tr>
<td>Malaysia</td>
<td>$188mn</td>
<td>$695mn</td>
</tr>
<tr>
<td>China</td>
<td>$176mn</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>$130mn</td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>$71mn</td>
<td></td>
</tr>
<tr>
<td>Laos</td>
<td>$48mn</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>$19mn</td>
<td></td>
</tr>
</tbody>
</table>

$2,762mn Guarantees issued

56 Guaranteed bonds

as 10 April 2022, in US$ millions

### Outstanding Guarantees

- **$695mn** Fronting arrangement
- **$2,094mn** Total outstanding
- **$1,399mn** Net exposure

#### Guarantee Portfolio (in $ millions)

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>851</td>
<td>1,127</td>
<td>1,623</td>
<td>1,889</td>
<td>2,009</td>
</tr>
</tbody>
</table>

as of 31 March 2022, in US$ millions
## DEVELOPMENTAL IMPACT SCORES

<table>
<thead>
<tr>
<th>ISSUER</th>
<th>BASIC CHARACTERISTICS</th>
<th>INNOVATIVE CHARACTERISTICS</th>
<th>TOTAL SCORE</th>
<th>NOTABLE FEATURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polytama</td>
<td>3 pts</td>
<td>4 pts</td>
<td>7 pts</td>
<td>Sukuk</td>
</tr>
<tr>
<td>CEG</td>
<td>3 pts</td>
<td>4 pts</td>
<td>7 pts</td>
<td>AMBIF, cross-border</td>
</tr>
<tr>
<td>First REIT</td>
<td>3 pts</td>
<td>7 pts</td>
<td>10 pts</td>
<td>Infrastructure-related, social bond, cross-border</td>
</tr>
</tbody>
</table>

### 2022 TOTAL DEVELOPMENTAL IMPACT

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 pts</td>
<td>4.3 pts</td>
<td>3 pts</td>
<td>3.7 pts</td>
<td>3 pts</td>
<td>3 pts</td>
<td>5.3 pts</td>
<td>6.4 pts</td>
<td>7.0 pts</td>
<td>8.0 pts</td>
</tr>
</tbody>
</table>

### HISTORICAL AVERAGE SCORE

- 2013: 3 pts
- 2014: 4.3 pts
- 2015: 3 pts
- 2016: 3.7 pts
- 2017: 3 pts
- 2018: 3 pts
- 2019: 5.3 pts
- 2020: 6.4 pts
- 2021: 7.0 pts

Average Score: 8.0 pts
<table>
<thead>
<tr>
<th>ISSUER</th>
<th>INDUSTRY</th>
<th>AMOUNT &amp; CURRENCY</th>
<th>ISSUANCE DATE</th>
<th>DEAL HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT POLYTAMA PROPINDO</td>
<td>Chemicals</td>
<td>IDR 220.5 total (~$15 million total)</td>
<td>04 Mar 2022 (due 2025, 2027)</td>
<td>Indonesia’s first guaranteed corporate sukuk issuance, which attracted insurances, pension funds and asset managements as well as state-owned investors</td>
</tr>
<tr>
<td>中教控股</td>
<td>Education</td>
<td>CNH 500 million (~$78 million total)</td>
<td>22 Mar 2022 (due 2025)</td>
<td>ASEAN+3’s first international bond by an issuer from the higher education sector; issued under AMBIF</td>
</tr>
<tr>
<td>FIRST REIT</td>
<td>Real Estate</td>
<td>SGD 100 million (~$74 million total)</td>
<td>7 Apr 2022 (due 2027)</td>
<td>ASEAN’s first healthcare social bond to be publicly distributed and denominated in an ASEAN local currency</td>
</tr>
<tr>
<td>YEAR</td>
<td># of BONDS</td>
<td>ISSUERS AND ISSUANCES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
<td>-----------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2 bonds guaranteed</td>
<td>PHP 900mn, PHP 100mn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2 bonds guaranteed</td>
<td>SGD 70mn, SGD 150mn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>4 bonds guaranteed</td>
<td>THB 2bn, KHR 80bn, KHR 127.2bn, JPY 15.4bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>5 bonds guaranteed</td>
<td>THB 700mn, THB 1.2bn, CNH 1bn, MYR 150mn, THB 1bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>2 bonds guaranteed</td>
<td>CNH 500mn, SGD 100mn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Guaranteed 15 AMBIF bonds by 12 corporate issuers since 2018


To view full list of bonds enrolled under AMBIF, please visit: https://asianbondsonline.adb.org/documents/abmf-ambif-bond-issuance.pdf
### NOTABLE BOND AWARDS

<table>
<thead>
<tr>
<th>Category</th>
<th>Company</th>
<th>Country</th>
<th>Amount</th>
<th>Tenure</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEST CORPORATE BOND</strong></td>
<td>Masan Consumer</td>
<td>Vietnam</td>
<td>VND 2.1 trillion</td>
<td>10 years</td>
<td>The Asset Country Awards 2015</td>
</tr>
<tr>
<td><strong>BEST LCY MICROFINANCE BOND</strong></td>
<td></td>
<td>Philippines</td>
<td>PHP 2.0 billion</td>
<td>total 5 years each tranche</td>
<td>The Asset Country Awards 2017</td>
</tr>
<tr>
<td><strong>ASIA PACIFIC BOND DEAL OF THE YEAR</strong></td>
<td></td>
<td>Philippines</td>
<td>PHP 10.7 billion</td>
<td>10 years</td>
<td>First Climate Project Bond in Asia</td>
</tr>
<tr>
<td><strong>BEST RENEWABLE FINANCE DEAL OF THE YEAR</strong></td>
<td>AP Renewables Inc.</td>
<td>Philippines</td>
<td>PHP 10.7 billion</td>
<td>10 years</td>
<td>First Climate Project Bond in Asia</td>
</tr>
<tr>
<td><strong>DEBT MARKET OF THE YEAR</strong></td>
<td>AP Renewables Inc.</td>
<td>Philippines</td>
<td>PHP 10.7 billion</td>
<td>10 years</td>
<td>First Climate Project Bond in Asia</td>
</tr>
<tr>
<td><strong>ASIA PACIFIC PROJECT BOND DEAL OF THE YEAR</strong></td>
<td>AP Renewables Inc.</td>
<td>Philippines</td>
<td>PHP 10.7 billion</td>
<td>10 years</td>
<td>First Climate Project Bond in Asia</td>
</tr>
</tbody>
</table>
NOTABLE BOND AWARDS

GREEN BOND DEAL OF THE YEAR

Green Bond Awards 2017

PHP 10.7 billion
10 years
First Climate Project Bond in Asia

PROJECT BOND OF THE YEAR

Environmental Finance Green Bond Awards 2017

PHP 10.7 billion
10 years
First Climate Project Bond in Asia

BEST BENCHMARK BOND DEAL

SOUTHEAST ASIA

12th Annual Alpha Southeast Asia Deal and Solutions Awards

PHP 1.0 billion
3 & 5 years
First AMBIF bond in the Philippines

BEST LOCAL CURRENCY BOND

Global Capital Asia 2019

THB 2.22 billion
5 years

BEST BOND MYANMAR

The Asset Country Awards 2019

THB 2.22 billion
5 years

BEST MYANMAR DEAL

Finance Asia Achievement Awards 2019

THB 2.22 billion
5 years
<table>
<thead>
<tr>
<th>Award Category</th>
<th>Country</th>
<th>Nominee</th>
<th>Amount</th>
<th>Tenure</th>
<th>Award Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEST LOCAL CURRENCY BOND</td>
<td>Vietnam</td>
<td>REE Corporation</td>
<td>VND 2.318 trillion</td>
<td>10 years</td>
<td>The Asset Country Awards 2019</td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td>GELEX</td>
<td>VND 1.15 trillion</td>
<td>10 years</td>
<td>The Asset Country Awards 2020</td>
</tr>
<tr>
<td></td>
<td>Cambodia</td>
<td>RMA Cambodia</td>
<td>KHR 80 billion</td>
<td>5 years</td>
<td>The Asset Country Awards 2020</td>
</tr>
<tr>
<td></td>
<td>Indonesia</td>
<td>Triasmitra</td>
<td>IDR 583 billion</td>
<td>total 3 &amp; 5 years</td>
<td>The Asset Country Awards 2021</td>
</tr>
<tr>
<td></td>
<td>Cambodia</td>
<td>TFG</td>
<td>THB 1 billion</td>
<td>5 years</td>
<td>The Asset Capital Market Awards 2021</td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td>Telcotech</td>
<td>KHR 80 billion</td>
<td>5 years</td>
<td>Consumer Goods</td>
</tr>
<tr>
<td></td>
<td>Cambodia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cambodia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cambodia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cambodia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
THANK YOU

Asian Development Bank Building
6 ADB Avenue, Mandaluyong City
1550, Metro Manila, Philippines
Tel  +63 2 8683 1340  |  Fax  +63 2 8683 1377

Media Enquiries
media@cgif-abmi.org

Guarantee Enquiries
guarantee_enquiries@cgif-abmi.org

www.cgif-abmi.org
Update from ADB

*Participants should not circulate the deck without consent from ADB*
TASK FORCE 1:

Creating Ecosystems for Green Local Currency Bonds for Infrastructure Development in ASEAN+3

- ASEAN+3 Bond Market Forum Meeting, April 2022

Kosinr Puongsophol (Pok)
Financial Sector Specialist
Asian Development Bank
Email: kpuongsophol@adb.org
MAJOR ACHIEVEMENTS

March 2020
The TA approved by ADB, financed by the People’s Republic of China (PRC) Poverty Reduction and Regional Cooperation Fund

June-July 2020
First regional workshop for ASEAN+3 regulators and potential local green bond verifiers

August 2020
Two local credit rating agencies (TRIS Rating and RAM Sustainability) accredited by the Climate Bonds Initiative (CBI) as green bond verifiers

November 2020
Green bond section on the AsianBondsOnline launched in collaboration with TF2

November 2021
- ASEAN’s first social bond by a nonfinancial conglomerate issued
- ASEAN+3 sustainable finance initiative discussed at COP26

December 2021
- First verification by RAM Sustainability supported
- Green bond guidance published by ADB

March 2022
Third local credit rating agency (Fiin Group) accredited by the CBI

Over $80 million mobilized in sustainable financing (as of Mar 2022)

More than 3,000 people attended over 20 workshops (as of March 2022)
**TECHNICAL ASSISTANCE**: CREATING ECOSYSTEMS FOR SUSTAINABLE LOCAL CURRENCY BONDS FOR INFRASTRUCTURE DEVELOPMENT IN ASEAN+3

For more TA info, please visit: [https://www.adb.org/projects/53300-001/main](https://www.adb.org/projects/53300-001/main)

---

**SUPPLY**

Guide issuers and underwriters throughout sustainable bond issuance process

Develop sustainable bond framework based on international and regional standards

Address other constraints that are market-specific

---

**DEMAND**

Create a regional green bond information section on the AsianBondsOnline

Other market-specific initiatives to promote greater demand for sustainable bonds

---

**MARKET PRACTICES**

Make Asian voices heard

Document and publish case studies to guide other interested issuers, and develop good practices in issuing bonds

Leverage on other initiatives under ABMI

---

For more information, please visit:

CURRENT ACTIVITIES

CREATING THE ECOSYSTEM

1. Discussing with potential local green bond verifiers in Indonesia and Philippines

2. Providing technical & hand-on support to potential issuers
   - Thaifoods Group’s social bond with CGIF, under AMBIF (11 Nov 2021) → named the best social bond – deals of the year by The Asset Triple A Sustainable Capital Markets Awards 2021
   - Several issuers in the pipeline, including state-owned financial institutions

Potential Issuers by Country

Potential Issuers by Type
CURRENT ACTIVITIES

SHARING KNOWLEDGE

3. Organizing market awareness and capacity building programs in collaboration with local regulators
   • More than 3,000 people attended over 20 workshops
   • Publishing green bond issuance handbook in multiple languages

4. Finalizing ASEAN+3 Sustainable Finance Report, and preparing for a launch event in early June

5. Conducting market survey to assess investors and issuers’ appetite for green bonds in ASEAN+3, in collaboration with the Global Green Growth Institute
PREPARING NEW PHASE OF SUSTAINABLE BOND TA

• While we are making good progress, the current TA program will conclude in September 2022

• Subject to endorsement by ASEAN+3, ADB is preparing a new phase of the sustainable bond TA with the goal of strengthening the sustainable finance ecosystem, assisting issuers and investors, and collaborating with other ABMI taskforces and ASEAN+3 members

• ABMF members are welcomed to submit any requests and/or suggestions for activities to be included in the new phase of the TA to support sustainable finance market development in their respective jurisdictions.
THANK YOU

FOR FURTHER INFORMATION:

Satoru Yamadera
Advisor
syamadera@adb.org

Kosintr Puongsophol
Financial Sector Specialist
kpuongsophol@adb.org

Richard Supangan
Senior Economics Officer
rsupangan@adb.org
SESSION 2
Update from Task Force 2 (TF2)

Dr. SHU TIAN
Senior Economist, ERCD
Asian Development Bank

*Participants should not circulate the deck without consent from ADB*
Session 2: Update from Task Force 2 (TF2)

AsianBondsOnline
Asia Bond Monitor March 2022

Bond Market Developments in
Emerging East Asia

Economic Research and Regional Cooperation Department
21 April 2022
Key Messages

➢ ABM March

• Ample liquidity supported regional financial conditions between 30 November 2021 and 9 March 2022, with some weakening signs due to the US Federal Reserve’s tapering and signaling of monetary tightening and the Russian invasion of Ukraine.

• LCY bonds outstanding in emerging East Asia reached USD22.8 trillion at the end of December, following record-high issuance of USD9.0 trillion for the full year 2021.

• ASEAN+3’s sustainable bond market saw rapid expansion in 2021 to reach a size of USD430.7 billion at the end of December, with issuance more than doubling in 2021.

• Risks to regional financial conditions remains titled to the downside.

➢ ABO launched new information sections in 2021 and further data refinement ongoing.
Higher bond yields in advanced economies and continued inflationary pressure pushed up bond yields in most markets in emerging East Asia.

### Changes in 2-Year LCY Government Bond Yields

<table>
<thead>
<tr>
<th>Country</th>
<th>Change 30 Nov 2021 and 31 Dec 2021 (basis points)</th>
<th>Change 31 Dec 2021 and 31 Jan 2022 (basis points)</th>
<th>Change 31 Jan 2022 and 9 Mar 2022 (basis points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China, People’s Rep. of</td>
<td>62</td>
<td>44</td>
<td>88</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>34</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>7</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Korea, Rep. of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>44</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>13</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Viet Nam</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### Changes in 10-Year LCY Government Bond Yields

<table>
<thead>
<tr>
<th>Country</th>
<th>Change 30 Nov 2021 and 31 Dec 2021 (basis points)</th>
<th>Change 31 Dec 2021 and 31 Jan 2022 (basis points)</th>
<th>Change 31 Jan 2022 and 9 Mar 2022 (basis points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China, People’s Rep. of</td>
<td>68</td>
<td>51</td>
<td>41</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>15</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Korea, Rep. of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>29</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>16</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Viet Nam</td>
<td>27</td>
<td>27</td>
<td></td>
</tr>
</tbody>
</table>

LCY = local currency.
Note: Numbers on the chart refer to the net change for the three periods.
Source: AsianBondsOnline calculations based on Bloomberg LP data.
Negative sentiment softened bullish momentum in regional equity markets, regional currencies posted small exchange rate movements.
Risk premiums edged up and ASEAN bond markets witnessed some outflows in early March

Credit Default Swap Spreads

Foreign Capital Flows in Local Currency Bond Markets in Emerging East Asia

Data are as of 9 March 2022 except for the People’s Republic of China, the Republic of Korea, and Malaysia (28 February 2022); and the Philippines (31 January).
Financial conditions are stable in March

<table>
<thead>
<tr>
<th></th>
<th>2-Year Government Bond (bps)</th>
<th>10-Year Government Bond (bps)</th>
<th>5-Year Credit Default Swap Spread (bps)</th>
<th>Equity Index (%)</th>
<th>FX Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Advanced Economies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>83</td>
<td>75</td>
<td>—</td>
<td>4.9</td>
<td>—</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6</td>
<td>22</td>
<td>(2)</td>
<td>6.7</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Japan</td>
<td>(4)</td>
<td>6</td>
<td>0.1</td>
<td>8.6</td>
<td>(6.8)</td>
</tr>
<tr>
<td>Germany</td>
<td>54</td>
<td>49</td>
<td>(2)</td>
<td>3.1</td>
<td>(1.8)</td>
</tr>
<tr>
<td><strong>Emerging East Asia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People's Republic of China</td>
<td>4</td>
<td>(10)</td>
<td>7</td>
<td>(0.1)</td>
<td>(0.74)</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>84</td>
<td>84</td>
<td>—</td>
<td>6.0</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>16</td>
<td>2</td>
<td>(21)</td>
<td>5.0</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>80</td>
<td>46</td>
<td>(1)</td>
<td>3.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>36</td>
<td>33</td>
<td>(4)</td>
<td>2.9</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Philippines</td>
<td>14</td>
<td>58</td>
<td>(14)</td>
<td>0.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Singapore</td>
<td>58</td>
<td>69</td>
<td>—</td>
<td>5.9</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Thailand</td>
<td>60</td>
<td>15</td>
<td>(2)</td>
<td>2.6</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>54</td>
<td>49</td>
<td>(26)</td>
<td>0.6</td>
<td>(0.1)</td>
</tr>
</tbody>
</table>

Note: Changes in financial conditions between 9 March 2022 and 8 April 2022.
Source: AsianBondsOnline.
# Financial conditions overall weakened (Dec 2021 to early April 2022)

<table>
<thead>
<tr>
<th>Major Advanced Economies</th>
<th>2-Year Government Bond (bps)</th>
<th>10-Year Government Bond (bps)</th>
<th>5-Year Credit Default Swap Spread (bps)</th>
<th>Equity Index (%)</th>
<th>FX Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>195</td>
<td>126</td>
<td>—</td>
<td>(1.7)</td>
<td>—</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>100</td>
<td>94</td>
<td>4</td>
<td>8.6</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Japan</td>
<td>5</td>
<td>17</td>
<td>0.4</td>
<td>(0.6)</td>
<td>(9.0)</td>
</tr>
<tr>
<td>Germany</td>
<td>79</td>
<td>106</td>
<td>6</td>
<td>(5.4)</td>
<td>(4.1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emerging East Asia</th>
<th>2-Year Government Bond (bps)</th>
<th>10-Year Government Bond (bps)</th>
<th>5-Year Credit Default Swap Spread (bps)</th>
<th>Equity Index (%)</th>
<th>FX Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People’s Republic of China</td>
<td>(20)</td>
<td>(10)</td>
<td>9</td>
<td>(8.8)</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>146</td>
<td>104</td>
<td>—</td>
<td>(6.8)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>52</td>
<td>70</td>
<td>2</td>
<td>10.4</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>115</td>
<td>98</td>
<td>10</td>
<td>(4.9)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>43</td>
<td>47</td>
<td>10</td>
<td>6.2</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Philippines</td>
<td>58</td>
<td>99</td>
<td>16</td>
<td>(2.5)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Singapore</td>
<td>103</td>
<td>85</td>
<td>—</td>
<td>11.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Thailand</td>
<td>46</td>
<td>45</td>
<td>6</td>
<td>7.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>142</td>
<td>76</td>
<td>2</td>
<td>0.2</td>
<td>(0.6)</td>
</tr>
</tbody>
</table>

Note: Changes in financial conditions between 30 Nov 2021 and 8 April 2022 and 8 April 2022.  
Source: AsianBondsOnline.
LCY bond market in the region climbed to USD22.8 trillion at the end of December, following record high issuance in 2021.
The maturity of government bonds shortened in most major regional bond markets

Maturity Profile of LCY and FCY Government Bonds in the Region (Bonds Outstanding)

Maturity Profile of LCY and FCY Government Bonds in the Region (Bonds Issuance)

Source: AsianBondsOnline.
Higher bond yields implies higher refinancing costs. But the risk is not significant with modest sharing of maturing government bonds within 1-2 years.
Local currency dominates government debt across the region, with increasing share during the past 2 decades

Share of LCY Government Bonds to Total Government Bonds

Note: ASEAN includes the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

Source: AsianBondsOnline.
Foreign holdings share were largely stable for most markets in the region.

**Shares of Foreign Holdings in Local Currency Government Bond Markets**

- **China, People's Rep. of:**
  - Oct-21: 10.7%
  - Nov-21: 10.9%
  - Dec-21: 10.9%
  - Jan-22: 11.1%

- **Indonesia:**
  - Oct-21: 21.2%
  - Nov-21: 20.6%
  - Dec-21: 19.0%
  - Jan-22: 19.0%

- **Malaysia:**
  - Oct-21: 25.9%
  - Nov-21: 25.5%
  - Dec-21: 26.0%
  - Jan-22: 26.1%

- **Philippines:***
  - Oct-21: 1.7%
  - Nov-21: 1.8%
  - Dec-21: 1.9%
  - Jan-22: 1.8%

- **Thailand:**
  - Oct-21: 13.3%
  - Nov-21: 13.4%
  - Dec-21: 13.7%
  - Jan-22: 13.9%

Source: AsianBondsOnline.
Domestic financial institutions, particularly banks, anchor regional bond markets

Changes in Domestic Investor Profile

Source: AsianBondsOnline.
Sustainable bonds outstanding in ASEAN+3 markets reached USD430.7 billion at the end of December amid strong issuance.

Issuance Volume of Sustainable Bonds in ASEAN+3

Outstanding Amount of Sustainable Bonds by Global Region at the End of December 2021

Notes:
1. ASEAN includes the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
2. ASEAN+3 includes ASEAN members plus the People’s Republic of China; Hong Kong, China; Japan; and the Republic of Korea.

Source: ADB. *Asia Bond Monitor March 2022*. Manila.
Green bonds are the commonly issued sustainable bond type in ASEAN+3 and mostly in tenors of 5 years or less.

Outstanding Sustainable Bonds in ASEAN+3 by Economy (share of total)

Maturity Profile based on Outstanding Sustainable Bonds in ASEAN+3 Markets

Notes:
1. ASEAN include the markets of Indonesia, Malaysia, the Philippines, Singapore, and Thailand.
2. ASEAN+3 includes ASEAN members plus the People’s Republic of China; Hong Kong, China; the Republic of Korea, and Japan.
3. Data as of the end of December 2021.

Source: ADB, Asia Bond Monitor March 2022, Manila.

INTERNAL. This information is accessible to ADB Management and staff. It may be shared outside ADB with appropriate permission.
Risk outlook for regional financial conditions

➢ Risk remains tilted to the downside largely due to the shifting monetary policy of the US Federal Reserve

✓ Rising US interest rates could cause a decline in market liquidity
✓ Sustained rise in the price of commodities could push other central banks to tighten
✓ Borrowing costs will also rise

➢ There is uncertainty also related to the Russian invasion of Ukraine and could also help drive inflation due to a rise in oil and other commodity prices.
ABO Progress in 2021: Website upgrade and knowledge products

➢ Strengthened collaboration with other ABMI TFs
   ➢ TF1: the Green Bonds page set up jointly with green bond TA in 2020. Mutual information dissemination with CGIF.
   ➢ TF3: new ABMF page launched in March 2021.
   ➢ Host event registration and publication for various ABMI activities.

➢ New website features and knowledge products
   ➢ Sustainable Data Portal launched.
   ➢ Released quarterly infographic “The ASEAN+3 Sustainable Bonds Highlights”
   ➢ Added sustainable bond market development in the Asia Bond Monitor (ABM)
   ➢ Launched “Tracking Asia”, providing information on macroeconomic developments in the region.
   ➢ Upgraded home page with easier access to publications and sustainable bond data.
ABO Progress in 2021: dissemination efforts

➢ Actively disseminating bond market information among stakeholders
   ➢ ABO did live TV interviews with CNBC and Bloomberg, and telephone and email interviews with major media such as CNBC, Wall Street Journal, Bloomberg, and Channel NewsAsia
   ➢ June issue of ABM 2021 was launched during online Asian Impact Webinar in June and 2021 Capacity building workshop on green bonds was held jointly with SERC and TF 1 in November 2021. More than 90% of the participants reported the workshop to be very useful and relevant for their work.

➢ Efforts are well recognized by users.
   ➢ In 2021, ABO registered 97,151 data sessions, 296,829 pageviews, and 26,629 downloads serving 55,750 users
   ➢ Pageviews for the data portal nearly doubled, rising to 43,108 in 2021 from 23,505 in 2020
   ➢ Pageviews for the weekly debt highlights and monthly debt round up were up 17.1% and 2.2%, respectively, in 2021 versus the same period in 2020
   ➢ Growing interest in the website was also reflected in the 21.5% year-on-year increase in the pageviews for the What’s New section.
ABO Progress in 2022: data improvements

➢ Collaboration with other TF groups for further improvements in ABO data
  ➢ Discussion with TF1 team members regarding refining Japan bond market data
    ➢ Incorporating data from JASDEC
    ➢ Comparison with data from BOJ
  ➢ Possible expanding Singapore bond market data
    ➢ Explore possible data source for corporate trading volume data
  ➢ Data audit for Viet Nam bond market data
    ➢ Explore collaboration with VMOF, HNX, VBMA for refining bond market data

➢ Enhancements to sustainable bond data in the data portal
  ➢ Provide aggregated sustainable bond information for users
  ➢ Provide bond level sustainable bond information for ASEAN markets
    ➢ Tenor, Issue date, Ratings, Amount
SESSION 3
Update from Task Force 3 (TF3)

MR. SATORU YAMADERA
Advisor, ERCD
Asian Development Bank

*Participants should not circulate the deck without consent from ADB*
SESSION 3

Update from Task Force 3 (TF3)

ADB Secretariat Team
Mr. Satoru Yamadera, Advisor, ADB

*Participants should not circulate the deck without consent from ADB*
Contents

I. AMBIF Update
II. Bond Market Guides
III. FX Reporting Standardisation Update
IV. WG-CCML
V. Q&A (after Session 5)

*Participants should not circulate the deck without consent from ADB*
## I. AMBIF Bond Issuance List (as of 7 April 2022)

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Sector</th>
<th>Currency and Amount</th>
<th>Tenure</th>
<th>Issuance Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mizuho Bank, Ltd.</td>
<td>Financials (Banking)</td>
<td>THB3.0 billion</td>
<td>3 years</td>
<td>28 Sep 2015</td>
</tr>
<tr>
<td>2 Hattha Kaksekar Limited</td>
<td>Financials (Consumer Finance)</td>
<td>KHR120.0 billion</td>
<td>3 years</td>
<td>14 Nov 2018</td>
</tr>
<tr>
<td>3 AEON Credit Services (Philippines) Inc.*</td>
<td>Financials (Consumer Finance)</td>
<td>PHP900.0 million, PHP100.0 million</td>
<td>3 years</td>
<td>16 Nov 2018, 16 Nov 2018</td>
</tr>
<tr>
<td>4 CJ Logistics Asia Pte. Ltd.*</td>
<td>Logistics</td>
<td>SGD70.0 million</td>
<td>5 years</td>
<td>25 Mar 2019</td>
</tr>
<tr>
<td>5 Nexus International School (Singapore) Pte.Ltd.*</td>
<td>Education</td>
<td>SGD150.0 million</td>
<td>12 years</td>
<td>3 Dec 2019</td>
</tr>
<tr>
<td>6 Thaifoods Group Plc*</td>
<td>Food Products</td>
<td>THB2.0 billion, THB1.0 billion</td>
<td>5 years</td>
<td>8 Jan 2020, 11 Nov 2021</td>
</tr>
<tr>
<td>7 RMA (Cambodia) Plc*</td>
<td>Consumer Discretionary (Specialty Retail)</td>
<td>KHR80.0 billion</td>
<td>5 years</td>
<td>9 Apr 2020</td>
</tr>
<tr>
<td>8 Prasac Microfinance Institution Plc*</td>
<td>Financials (Micro Finance)</td>
<td>KHR127.2 billion</td>
<td>3 years</td>
<td>23 Apr 2020</td>
</tr>
<tr>
<td>9 GLP Pte. Ltd.*</td>
<td>Real Estate Management &amp; Development</td>
<td>JPY15.4 billion</td>
<td>9 years</td>
<td>24 Dec 2020</td>
</tr>
<tr>
<td>10 JWD InfoLogistics Public Company Limited*</td>
<td>Logistics</td>
<td>THB700.0 million under THB1.9 billion Guaranteed Bonds Program THB1.2 billion (second tranche)</td>
<td>5 years</td>
<td>5 Mar 2021, 1 Dec 2021</td>
</tr>
<tr>
<td>11 Hanwha Solutions Corporation*</td>
<td>Information Technology</td>
<td>CNH1.0 billion</td>
<td>3 years</td>
<td>19 Apr 2021</td>
</tr>
<tr>
<td>12 Hanwha Q Cells Malaysia Sdn. Bhd.*</td>
<td>Information Technology</td>
<td>MYR150.0 million</td>
<td>3 years</td>
<td>1 Sep 2021</td>
</tr>
<tr>
<td>13 China Education Group Holdings Limited*</td>
<td>Education</td>
<td>CNH500.0 million</td>
<td>3 years</td>
<td>22 Mar 2022</td>
</tr>
<tr>
<td>14 First Real Estate Investment Trust*</td>
<td>Healthcare</td>
<td>SGD100.0 million</td>
<td>5 years</td>
<td>7 Apr 2022</td>
</tr>
</tbody>
</table>

CNH = offshore Chinese yuan; KHR = Cambodian riel; JPY = Japanese yen; MYR = Malaysian ringgit; PHP = Philippine peso; SGD = Singapore dollar; THB = Thai baht.

* Guaranteed by the Credit Guarantee and Investment Facility.


[https://asianbondsonline.adb.org/ambif.php#bond-issuance](https://asianbondsonline.adb.org/ambif.php#bond-issuance)
II-1. Bond Market Guides (BMG)

• ADB published 2 ASEAN+3 Bond Market Guide Updates in late 2021
• Publications followed successful Hong Kong, China BMG Update template

*Participants should not circulate the deck without consent from ADB*
II-2. Bond Market Guides - Next

- ADB Secretariat and BDCB working on Brunei Darussalam version
- First of its kind - likely to include payment systems information
- Singapore BMG Update possible after discussion with MAS
- Need to revise Thailand once comprehensive regulatory changes in place
- Looking ahead to Japan and, possibly, Korea for 2023
- Others?

*Participants should not circulate the deck without consent from ADB*
II-3. BMG and AMBIF Impl GL

• Due to inability to conduct face-to-face meetings, visibility of market developments and changes may have been limited
• ABMF members are encouraged to engage ADB Secretariat on the need to update publications (Implementation Guidelines), as may be necessary
• It may also be a good opportunity to refresh ABMF representation (Representatives and Observers)

*Participants should not circulate the deck without consent from ADB*
III-1. FX Reporting Standardisation Update

• Existing FX reporting requirements collected for regional markets
• Conducted mapping of FX reporting formats against MT300
• Attempting to create glossary or common description of data elements
• Initial focus markets: Korea and Thailand, representing different reporting approaches
• Now in dialogue with BOK on rationale, detail information
• Followed by dialogue with BOT
• Have reached out to Asian Bankers Association who are pursuing standardization from the private sector side; cooperation or joint efforts presently being assessed by ABA

*Participants should not circulate the deck without consent from ADB*
III-2. FX Reporting – Initial Findings

• Assumptions validated:
  • Key data is the same
  • Other data is similar, even if descriptions may differ
  • But reporting requirements appear to differ widely
  • Typically, proprietary formats

• Approaches differ among markets:
  • Single or multiple reporting formats
  • One-time setup or comprehensive IDs every time
  • Small or large(r) files prescribed

• Use of LEI (Legal Entity Identifier) in some markets

• FX reporting may include requirements from other authorities as well

*Participants should not circulate the deck without consent from ADB*
IV. WG-CCML – Status

Working Group on Comparative Capital Market Law & Regulations

• Pandemic made congress of proposed participants difficult
• Hence, ADB Secretariat tried to develop key subjects for further study before inviting members to contribute
• Path led from disclosure and due diligence, for which there is much information in each market, to aspects of both which may not be well understood (see Focus Topics)
• But legal subjects get technical quickly; interpretation needed
• Dialogue with legal ABMF representatives suggests value-added for AMBIF
• Research led to the discovery of relevant party in public domain (see ABLI)

*Participants should not circulate the deck without consent from ADB*
IV. WG-CCML – Focus Topics

Working Group on Comparative Capital Market Law & Regulations

Present focus topics:

• **English language**
  • In documentation
  • For regulatory approvals or interaction
  • As evidence or submission in court

• **Governing law** (other than domestic law)
  • Is there a solution for ASEAN+3 other than UK law?

• **Jurisdiction**
  • Considerations

• **Enforcement of judgments**
  • Considerations

*Participants should not circulate the deck without consent from ADB*
IV. WG-CCML – Cooperation with ABLI

Asia Business Law Institute (ABLI), based in Singapore

• Published works on recognition and enforcement of legal judgments
  • ASEAN principles
  • Country reports
• But no domain expertise in bond market

• Objective: get ABLI input on legal considerations
  • English language acceptance
  • Choice of jurisdiction
  • Ability to obtain and enforce judgments
  • Challenges and considerations
• ADB Secretariat submitted question list to ABLI for its constituents

*Participants should not circulate the deck without consent from ADB*
IV. WG-CCML – Proposed Output

• **Series of ABMF Working Papers**, likely including
  - Language, governing law, jurisdiction
  - Due diligence practices
  - Disclosure practices
  - Arbitration

• Working papers may be combined into comprehensive WG-CCML report

• ADB Secretariat drafting WP report structure

• Working paper aimed at ABMF members for consumption, consideration

• **Article for law journal**
  - Review of governing law options, related topics
  - Aimed at academia

*Participants should not circulate the deck without consent from ADB*
THANK YOU

ABMF SECRETARIAT

Satoru Yamadera
Principal Financial Sector Specialist
syamadera@adb.org

Kosintr Puongsophol
Financial Sector Specialist
kpuongsophol@adb.org

Shigehito Inukai
shige.inukai@me.com

Matthias Schmidt
macschmidt@me.com

*Participants should not circulate the deck without consent from ADB*
SUPPLEMENTAL MATERIALS

*Participants should not circulate the deck without consent from ADB*
Standardization Efforts under the ASEAN+3 Bond Market Forum

*Participants should not circulate the deck without consent from ADB*
What is ASEAN plus Three?

• ASEAN+3 is a group of East Asian countries, consisting of ten countries of the Association of Southeast Asian Nations (ASEAN), the People’s Republic of China, Japan, and the Republic of Korea

• There are various ministerial meetings of ASEAN+3, but the most active one is ASEAN+3 Finance Ministers and Central Bank Governors Meeting (AFMGM+3)

• There are two initiatives led by AFMGM+3: Chiang Mai Initiative (CMIM), and Asian Bond Markets Initiative (ABMI) as a reaction to the Asian Currency Crisis in 1997-98
Organizational chart of ABMI and ADB’s involvement in the regional policy process

ASEAN+3 Finance Ministers and Central Bank Governors’ Meeting

ASEAN+3 Deputy Ministers and Deputy Governors’ Meeting

CMIM
Regional safety net

ABMI
Asian Bond Markets Initiative

ADB as the Secretariat

ASEAN+3 Macroeconomic Research Office

TF 1 (Supply)

TF 2 (Demand)

TF 3 (Regulation)

TF 4 (Infra)

Credit Guarantee and Investment Facility (CGIF)

Asian Bonds Online

Asian Bond Monitor

ASEAN+3 Bond Market Forum (ABMF)

Sub-forum 1 AMBIF

Sub-forum 2 ISO 20022

Promoting LCY bond markets to address the double mismatch problem

Cross-border settlement Infrastructure Forum (CSIF)

Green, Social, Sustainability bond market development
ASEAN+3 Bond Market Forum as a regional platform for collaboration

- The ABMF, operating under the ambit of ASEAN+3 and comprising of bond market experts from the region, was established in September 2010 as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transaction in the region.

- Collaboration between public and private sector experts
  - Utilize private sector expertise to build regional institutional framework

- Voluntary participation with commitments
  - Participants bear costs of participation
  - Establishing acceptable market practices and standards

*Participants should not circulate the deck without consent from ADB*
Standardization efforts under ABMF

(Step 1): Identification of transaction flows of payment and market infrastructures in each ASEAN+3 market as well as cross-border transaction flows by drafting of the Bond Market Guides (2010-)

(Step 2): Promotion of international standards such as ISO 20022, LEI, BIC, and ISIN (2012-)
  - ASEAN Economic Community Blueprint 2025
  - Collaboration with Cross-Border Settlement Infrastructure Forum

(Step 3): Account Structure Study to improve Know-Your-Customer Process for regulatory and tax reporting (2017-)

(Step 4): Identification of message items to be harmonized and standardized (2021-)

*Participants should not circulate the deck without consent from ADB*
Next Step under ABMF: FX Standardization

*Participants should not circulate the deck without consent from ADB*
FX Reporting Assumptions

• Market participants in all or selected markets need to report FX transactions as they occur, in formats specific to each market and set by central banks

• However, reporting items are expected to be similar

• The reporting is (said or perceived to be) onerous, highly repetitive, not necessarily aligned with instruction or transaction timing, and in proprietary format(s)

• A transaction-based, standard reporting triggered by available data in FX instruction or transaction and custodian static data with required key reporting items offers to streamline reporting

• In addition, FX reporting may be able to link with tax reporting for customer identification and categorization for taxation

*Participants should not circulate the deck without consent from ADB*
Approach to identify data elements:
Starting from existing transaction and message flows

- FX Instructions
  - Voice trades
  - Proprietary systems
    - Messaging
      - MT300
      - MT380
      - MT54x w. FX indicator
      - MT599
  - Standing instructions

- Custodian (Data)
  - Underlying Trade/CA
  - Transaction Data
  - Static Data (Client)
    - Client ID
  - Transaction Indicators
    - Product category
    - Purpose

- FX Reporting
  - By Transaction
    - Deal data
  - Daily
    - Transactions
    - Totals
  - Monthly
    - Volume/Turnover
    - CCY Pairs
    - Transaction Types

*Participants should not circulate the deck without consent from ADB*
Relevance of standardized client ID
Statutory FX Reporting likely identifies (all) Entities by Client ID (at least proprietary ID within a custodian)

FX Instructions
- Voice trades
- Proprietary systems
- Messaging
  - MT300
  - MT380
  - MT54x w. FX indicator
  - MT599
- Standing instructions

[Custodian (Data)]

Underlying Trade/CA
- Transaction Data

Static Data (Client)
- Client ID
- LEI

Transaction Indicators
- Product category
- Purpose

FX Reporting
- By Transaction
  - Deal data
  - Daily
    - Transactions
    - Totals
  - Monthly
    - Volume/Turnover
    - CCY Pairs
    - Transaction Types

*Participants should not circulate the deck without consent from ADB*
Use of LEI for customer identification and classification in transaction flows

- Basic data elements for taxation
  - 1. individual or non-individual (entity)
  - 2. Name
  - 3. Nationality / Legal domicile
  - 4. Identity Number (i.e. Tax ID and/or personal ID for individual)
  - 5. Date of Birth / Date of company establishment
  - 6. Address
  - 7. Type of Business (only for institution)
    a. Corporate (CP)
    b. Foundation (FD)
    c. Financial institution - bank (IB)
    d. Financial institution - non bank (IB)
    e. Insurance (IS)
    f. Mutual Fund (MF)
    g. Pension Fund (PF)
    h. Securities company (SC)
    i. Others (OT), i.e. government entity or international organization

LEI can provide the information in red.
LEI can cover most of investors

Entities with LEI

Individual investors

Entities without LEI

*Participants should not circulate the deck without consent from ADB*
Relevance of standardized transaction identifiers

OTC derivative reporting will include UTI, UPI, and CDE

FX Instructions
- Voice trades
- Proprietary systems
  - Messaging
    - MT300
    - MT380
    - MT54x w. FX indicator
    - MT599
- Standing instructions

Custodian (Data)
- Underlying Trade/CA
- Transaction Data
- Static Data (Client)

Transaction Indicators
- Product category
- purpose

FX Reporting
- By Transaction
  - Deal data
- Daily
  - Transactions
  - Totals
- Monthly
  - Volume/Turnover
  - CCY Pairs
  - Transaction Types

[Electronic means only]

*Participants should not circulate the deck without consent from ADB*
Globally agreed transaction indicators

- Unique Transaction Identifier (UTI)
  uniquely identify individual OTC derivatives transactions required by authorities to be reported to TRs

- Unique Product Identifier (UPI)
  uniquely identify the product involved in an OTC derivatives transaction that an authority requires, or may require in the future, to be reported to a trade repository (TR)

- Critical Data Element (CDE)
  critical OTC derivatives data elements other than those in the UPI and UTI

*Participants should not circulate the deck without consent from ADB*
Next step: Standardization and FX reporting data mapping exercise

- Along with the implementation of ISO 20022 by 2025, there is a possibility that existing foreign exchange reporting in ASEAN+3 to be standardized.
- Not only reporting process can be streamlined and reporting burden would be reduced, but also the authorities may be able to have access to more data, hence, can gain more transparency in financial transactions.
- Standardization can support improving and streamlining of regulatory and tax reporting as well as digital transformation (DX) by financial institutions.
- LEI can be used for not only FX reporting but also other reporting including taxation.

Collecting FX reporting items in ASEAN+3 → Map the data
- Entity info
- KYC process
- Transaction info
- Reason for transaction
- Map against the existing message standards → Propose standardization
- Propose a revision of existing message or creation of new messages
Mapping exercise

*Participants should not circulate the deck without consent from ADB*
1. Map data elements of FX transaction reports across the region
2. Map data elements of FX transaction reports against a standard FX instruction (e.g. MT300)
3. Reporting formats in Korea and Thailand are first considered
4. Correspondence with BOK representative is ongoing to clarify reporting formats and details on the data elements
### Market 1: FX Transaction Report

- **Code of reporting institution:**
- **Code of the bank branch where the purchase or sale transaction took place:**
- **Branch location identification number:**
- **Code of the bank branch:**
- **Sending date of the report:**
- **Date of the transaction:**
- **Time of sending this report:**
- **Code of nature of the report:**
- **Registration/Reception number of this report:**
- **FCY purchase or sale code:**
- **Date of FCY purchase/sale:**
- **FCY currency code:**
- **Amount of FCY purchase/sale:**
- **The equivalent of FCY purchase/sale in USD:**
- **Code of FCY purchase reason/FCY sale reason:**
- **Country code:**
- **Code of legal nature of FCY purchaser/seller:**
- **Code for size of the FCY purchaser/seller:**
- **Name of the FCY purchaser/seller:**
- **Foreign investors identity number:**
- **Identification number of FCY purchaser/seller:**
- **Code of residency of the FCY purchaser/seller:**
- **Code of the FCY purchaser's/seller's domiciled country:**
- **Code of the FCY purchaser's/seller's nationality:**
- **Code of FCY purchase reason/FCY sale reason:**
- **Country code:**
- **Code of legal nature of FCY purchaser/seller:**
- **Code for size of the FCY purchaser/seller:**
- **Name of the FCY purchaser/seller:**
- **Foreign investors identity number:**
- **Identification number of FCY purchaser/seller:**
- **Code of residency of the FCY purchaser/seller:**
- **Code of the FCY purchaser’s/seller’s domiciled country:**
- **Code of the FCY purchaser’s/seller’s nationality:**

### Market 2: FX Arrangement Report

- **Organization Id:**
- **Data Set Date:**
- **Arrangement Contract Date:**
- **Key In Timestamp (Optional):**
- **Set Up Reason Type (Conditional):**
- **Central Bank Reference Number (Optional):**
- **Fi Arrangement Number:**
- **Leg Type:**
- **Maturity Date:**
- **Buy Currency ID and Sell Currency ID (both are reported):**
- **Buy Amount and Sell Amount (both are reported):**
- **Inflow/Outflow Transaction Purpose (Conditional):**
- **Country Id of Beneficiary or Sender (Conditional):**
- **Exercising Involved Party Name (Conditional):**
- **Exercising Involved Party ID (Conditional):**
- **FX Arrangement Type:**
- **Primary Involved Party Id:**
- **FX Trading Transaction Type:**
- **Primary Involved Party Unique Id Type:**

*Participants should not circulate the deck without consent from ADB*
Mapping Exercise: Findings

- There are standard data elements that are commonly found in the FX reports across the region, namely:
  1. Transaction reference number
  2. Date of Transaction – may be trade date or settlement date
  3. Information on the identity of the financial institution executing the transaction
  4. Information on the counterparty to the transaction
  5. Amount transacted
  6. Currency involved
  7. Nature of Transaction
  8. Type of Transaction

- The required information may be the same but they have different tags. (Example: Date of Transaction- some economies use this tag to mean settlement date while others trade date)

*Participants should not circulate the deck without consent from ADB*
Mapping Exercise: Findings

- For one market, there are other recipients of the transaction reports and some of the data elements are for these other recipients.
- One market requires different reporting format for spot today (cash) transactions and other FX transactions (spot (not cash), forward, and swaps) are reported in a different format.
- One market has several reporting formats for different types of FX transactions (Example: There is a different record for securities transaction of non-resident investor, and another record for an import payment instruction).
- Still in another market there are two reports to record FX transactions—an arrangement report and the transaction report when the arrangement is fulfilled.

*Participants should not circulate the deck without consent from ADB*
Conclusion

- The divergence in the reporting requirements and the amount of information required can be costly
- Simplifying reporting requirements in consideration of existing reporting requirements will reduce burden to both Central Banks and private sector
- Standardizing instruction message to align with reporting requirements will reduce burden to reporting institutions
- Standardization should also open possibilities on data interoperability since with a standard message, the data available across economies becomes identifiable and may be made more accessible across

*Participants should not circulate the deck without consent from ADB*
THANK YOU

ABMF SECRETARIAT

Satoru Yamadera
Advisor
syamadera@adb.org

Kosintr Puongsophol
Financial Sector Specialist
kpuongsophol@adb.org

Shigehito Inukai
ADB Consultant
shige.inukai@me.com

Matthias Schmidt
ADB Consultant
macschmidt@me.com

Roselle Dime
ADB Consultant
rdime.consultant@adb.org

*Participants should not circulate the deck without consent from ADB*
SESSION 4
Update from Task Force 4 (TF4)

*Participants should not circulate the deck without consent from ADB*
SESSION 4
Update from Task Force 4

Byung-Wook Ahn
Financial Sector Specialist
Asian Development Bank
Cross-Border Settlement Infrastructure Forum (CSIF)

- Established in 2013
- Central banks and central securities depositories (CSDs) as members and government officials as observers
- Aims to create an efficient regional settlement intermediary (RSI) and to promote more active intraregional financial investment
CSD-RTGS Linkages
Publications under CSIF

2014
BASIC PRINCIPLES ON ESTABLISHING A REGIONAL SETTLEMENT INTERMEDIARY AND NEXT STEPS FORWARD
CROSS-BORDER SETTLEMENT INFRASTRUCTURE FORUM

2015
PROGRESS REPORT ON ESTABLISHING A REGIONAL SETTLEMENT INTERMEDIARY AND NEXT STEPS
Implementing Central Securities Depository - Real-Time Gross Settlement Linkages in ASEAN+3
CROSS-BORDER SETTLEMENT INFRASTRUCTURE FORUM

2018
Common Understanding on Cross-Border Business Continuity Planning and Cybersecurity
Cross-Border Settlement Infrastructure Forum

2019
COMMON UNDERSTANDING ON INTERNATIONAL STANDARDS AND GATEWAYS FOR CENTRAL SECURITIES DEPOSITORY AND REAL-TIME GROSS SETTLEMENT (CSD-RTGS) LINKAGES
Cross-Border Settlement Infrastructure Forum
MAY 2019

2020
NEXT STEPS FOR ASEAN+3 CENTRAL SECURITIES DEPOSITORY AND REAL-TIME GROSS SETTLEMENT LINKAGES
A Progress Report of the Cross-Border Settlement Infrastructure Forum
JULY 2020

To ADB Management and staff. It may be shared outside ADB with appropriate permission.
Current Three CSIF studies

1. Recent technological advances in financial market infrastructure in ASEAN+3

2. Study on Benchmark product and market infrastructure design for collective investment scheme transactions in ASEAN+3

3. Policy recommendations to promote the use of local currency collateral for cross-border financial transactions
1. New Tech Study

- Identifies and examines six key technologies to transform financial market infrastructure
- Confirms the most current aspect of CSIF members’ technology adoption
  - Promotes technical advancement in the region’s market infrastructure system

**New techs applicable to FMI**

1. DLT/Blockchain
2. AI
3. Big data analytics
4. Cloud computing
5. Cyber security
6. (Open) APIs

**Stocktaking new techs in ASEAN+3**

- Most recent status of tech adoption by CSIF members
  - More than 60% have adopted or have been adopting at least one of the six new techs
  - A total of 38 applications cases: 22 from CBs and 16 from CSDs

**Application to RSI**

- Short-term and long-term applicability of each tech
  - Developed into a separate project
2. CIS Study

- Investigates the feasibility of applying the CSD-RTGS linkage model to the DVP settlement of the Asian passport CIS

  - Promotes intraregional portfolio investment beyond the bond leveraging the existing RSI model

### CIS characteristics

- Market players
- Buy/sell/settle
- CIS passport

### European passport brand
(UCITS)

- Pan-European standardization for settlement

### CIS markets and passport schemes in ASEAN+3

- ARFP, ASEAN CIS, and MRF

### 4 recommendations on application of CSD-RTGS linkages to Asian CIS passport schemes
3. LCY Collateral Study

- Examines the ASEAN+3 collateral markets and identifies critical elements stimulating or hampering cross-border collateral transactions to presents policy recommendations for facilitating the cross-border use of LCY bonds as collateral in ASEAN+3

Collateral markets in ASEAN+3
- Bond issuance and transactions
- Collateral transactions
- Collateral eligibility criteria
- Market infra

Key factors influencing collateral demand

Impediments stunting collateral transactions

Potential benefits of collateral transactions

CBCA (cross-border collateral arrangement) among CBs and CSDs

7 policy Recommendations to boost cross-border LCY collateral transactions in ASEAN+3
POC of DLT-based CSD-RTGS Linkages

Originally a part of new tech study

1. New technologies applicable to FMI
2. Stocktaking of new technologies applied to the ASEAN+3 FMI
3. Application of new technologies to the CSD-RTGS Linkage

Developed into a separate project supported by ADB’s Digital Innovation Sandbox

Re-designing of CSD-RTGS Linkages model with DLT
# Project Overview

## Objective

- Re-designing of the current CSD-RGTS Linkage model applying DLT
  
  Explores possible DLT/blockchain solutions for the CSIF’s CSD-RTGS Linkage model by developing POC prototype(s) of DLT/blockchain-based CSD-RTGS Linkages and testing cross-border, cross-currency DVP and PVP settlement under the DLT/blockchain-based systems

## Selected vendors

- **Consensys**
- **r3**
- **SORAMITSU**
- **Fujitsu**

## Timeline

- **Prototype designing:** Jan – May 2022
- **Prototype development:** Jun – Aug 2022
Thank you.

Byung-Wook (Andrew) Ahn
bahn@adb.org
SESSION 5
Technical Assistance Coordination Team (TACT)

*Participants should not circulate the deck without consent from ADB*
TECHNICAL ASSISTANCE
COORDINATION TEAM
(TACT)

Finance Integration Division, ASEAN Secretariat
35th ABMF Meeting, 21 April 2022
Technical Assistance Implementation

Sponsor: MOF, Japan

Provider: ASEAN Secretariat

Consultant: Selected Consultant Firm

Counterpart: TA Recipient Country

Fund

Contract

Coordination

ADB

ABMI Secretariat
# Current Status of TAs

<table>
<thead>
<tr>
<th>Completed TAs</th>
<th>TAs for FY 2020 – 2021</th>
<th>TAs for FY 2021 - 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia (Phase 8)</td>
<td>-</td>
<td>Cambodia (Phase 9) - Ongoing</td>
</tr>
<tr>
<td>Indonesia (Phase 9)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Lao PDR (Phase 8)</td>
<td>-</td>
<td>Lao PDR (Phase 9) - Ongoing</td>
</tr>
<tr>
<td>Myanmar (Phase 5)</td>
<td>Myanmar (Phase 5) -</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>The Philippines (Phase 6)</td>
<td>The Philippines (Phase 7)– Finalization Process</td>
<td>-</td>
</tr>
<tr>
<td>Viet Nam (Phase 9)</td>
<td>Viet Nam (Phase 10) –</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Finalization Process</td>
<td></td>
</tr>
</tbody>
</table>
Ongoing TAs
The Philippines – Phase 7

<table>
<thead>
<tr>
<th>Scope of Work</th>
<th>Expected Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Develop a proposed risk management framework linked to the BIS PFMI's on the payment and settlement procedures in the PhillPass of the peso leg of bonds traded via Delivery versus Payment (DvP).</td>
<td>• To provide comprehensive risk management framework compliant with the PFMI's on the settlement of the Peso leg of bonds traded via DvP, as well as to provide related capacity building activities.</td>
</tr>
<tr>
<td>2. Develop a capacity building activities through the Treasury Certification Program on the following modules; (i) Market Analysis, (ii) Securities Dealership, and (iii) Money and Capital Market Instruments.</td>
<td>• To provide assessment report on reviewing the market monitoring and supervisory operations for managing risks in bond markets based on comparison with international standards as the benchmark. • To provide assessment report on the Treasury Certification Program for the CDM secretariat.</td>
</tr>
</tbody>
</table>

The TA for The Philippines Phase 7 will be completed in May 2022
## Viet Nam – Phase 10

<table>
<thead>
<tr>
<th>Scope of Work</th>
<th>Expected Output</th>
</tr>
</thead>
</table>
| 1. Enhancing the reforms implementation in the areas of government and corporate bond market as well as market supervision. | • To provide report on policy recommendations on the ability to release new products on Government debt instruments market.  
• To provide assessment report on the current operational model of the Government debt secondary instrument market, Government guaranteed bonds, and local government bonds.  
• To provide assessment report and recommendation on corporate bond market transaction on the following areas; (i) monitoring and management mechanism, (ii) supervision and management mechanism, (iii) enhancement of secondary market, (iv) corporate bond information system disclosure system, and (v) investment structure. |
| 2. Broadening investor base to further attract foreign investors by completing the framework on corporate bond private placement issuance. |                                                                                                                                                                                                                   |

The TA for Viet Nam Phase 10 will be completed in May 2022
Cambodia – Phase 9

<table>
<thead>
<tr>
<th>Scope of Work</th>
<th>Expected Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Draft regulation(s) for MEF on Government Securities, including the issuance scheme, fiscal agent, eligible intermediaries, investors and market infrastructure.</td>
<td>• Deliberating and submit draft set of policy and regulatory frameworks on Government Securities.</td>
</tr>
<tr>
<td></td>
<td>• To provide Assessment Report on institutional arrangements and draft Government Securities Operation Manual.</td>
</tr>
<tr>
<td>2. Draft regulation(s) for Securities and Exchange Regulator of Cambodia for the securities business by commercial banks for Government Securities.</td>
<td>• To provide advice and recommendations to SERC in introducing Green Bonds and Sustainable bonds, including the regulatory framework for Cambodia.</td>
</tr>
<tr>
<td>3. Provide support in assessment of institutional arrangement of a draft Government Securities Operation Manual.</td>
<td>• To provide capacity building activities for relevant authorities and market participants to enhance and further deliberate key recommendation on Government and Corporate Bond Markets.</td>
</tr>
<tr>
<td>4. Conduct case studies on legal frameworks in peer countries which involve Central Bank and other non-banking institutions to invest in Government Bonds.</td>
<td></td>
</tr>
</tbody>
</table>

The TA for Cambodia Phase 9 will be completed in December 2022
## Lao PDR – Phase 9

<table>
<thead>
<tr>
<th>Scope of Work</th>
<th>Expected Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provide analysis and recommendation on the government bond market infrastructure with emphasis on securities depository and settlement.</td>
<td>• To provide assessment report to further enhance the government bond market infrastructure and widening the investor base.</td>
</tr>
<tr>
<td>2. Provide recommendation on development of bond intermediaries including primary dealers to further enhance integration of various market segments.</td>
<td>• To provide assessment report on the development of ecosystem for sustainable finance in relation to the corporate bond issuance in Lao PDR.</td>
</tr>
<tr>
<td>3. Provide further study on the existing and challenges in widening the domestic investor base in government bonds, including foreign bond investor</td>
<td>• To provide assessment and recommendation on the regulations for management and supervision of the corporate bond market.</td>
</tr>
<tr>
<td></td>
<td>• To Provide capacity building programs on the bond market yield curve for government officials to strengthen bond market supervision and development.</td>
</tr>
</tbody>
</table>

The TA for Lao PDR Phase 9 will be completed in December 2022
Work Plan

• The new TA’s for FY 2022 – 2023 are expected to commence within the second half of 2022
Thank You for Your Attention

FinanceIntegrationDivision@asean.org
We welcome all questions or needs for clarification during the webinar or via email.

All attendees will be muted. Please post questions in the Q&A box.

If you experience technical issues, please try to log out and log back in.

*Participants should not circulate the deck without consent from ADB*
CLOSING REMARKS

MR. SATORU YAMADERA
Advisor, ERCD
Asian Development Bank

*Participants should not circulate the deck without consent from ADB*
35th ASEAN+3 Bond Market Forum (ABMF) Meeting
Virtual Event via Zoom
21 April 2022, 2:00 P.M. Manila Time

Thank you for your participation

*Participants should not circulate the deck without consent from ADB*