

NPL Asia

Issue 11 | October 2009

PRICEWATERHOUSECOOPERS 

Welcome to Issue 11 of NPL Asia, our newsletter covering the Asian non-performing loan (NPL) market.

Since our last issue, global financial markets have continued to fluctuate and the effects have been felt increasingly by the Asian economies, although it would appear to a lesser extent than the US and European economies. Most countries are however reporting greater NPL numbers and this trend is expected to continue throughout 2009.

Increasing NPL numbers should result in increased opportunities, but the overall economic situation and the resulting impact on pricing has made deals harder to consummate, especially from a portfolio perspective. In turn, the volume of portfolio transactions has slowed notably in 2009, though transactions have still occurred in Taiwan, Thailand, Korea, India, Japan, China and Australia (primarily single credit commercial paper). This is a contrast to the much higher level of activity in Asian NPL markets over the past two to three years, with numerous portfolio transactions in Thailand, Malaysia, Taiwan, India and the Philippines to name a few.

Clearly, one of the biggest challenges to doing deals in today's climate is the differential on price expectations. This has led to markets dominated by domestic buyers and buyers demanding significant concessions from sellers. For example, it has been widely reported that the recent Thailand TMB deal was on a seven-year deferred payment basis, supported by promissory notes. This is a stark departure from the typical Thailand deal of 25 per cent deposit payable upon sale and purchase agreement (SPA) signing and the balance within 90 days. Whether this type of sale structure becomes the norm remains to be seen, but it is likely that sellers will be more flexible when it comes to NPL portfolio sale structures.

Our market research also indicates there is an increasing trend to partial sales or 'cherry picking' of portfolios to achieve a sale. The number of portfolios withdrawn from a sales process is also on the increase. Notwithstanding this, a number of banks we have spoken to across the region still view NPL sales as a



key loan management tool and indicated a willingness to sell. We are also likely to see portfolio transactions in countries which have previously had little activity, including Australia, Singapore, UAE, Pakistan and Hong Kong.

Furthermore, we are seeing a more active market in the secondary trading of NPL portfolios, albeit to date this has generally been in single or small groups of credits. This is an area of likely growth given the progressive sale of the Asian Lehman assets and various other offshore banks with non-core loan portfolios in the region.

Looking to the remainder of 2009, it is likely that Asia will not experience the same level of NPL sale activity that it has in recent years. However, with growing NPLs across the region, especially in the smaller retail and consumer areas, banks are likely to need to consider more aggressive NPL management plans, especially as the full effects of Basel II come into play. In addition, as the levels of return achieved in Europe and the US start to fall, this is likely to lead to an increased propensity by global investors to look at Asian based investments. Countries where domestic buyers are already present, such as Taiwan, Thailand, Korea and India, are expected to continue to be relatively active. Markets to watch closely include Australia, India and Vietnam, while transactions are also expected in Hong Kong, Malaysia, Singapore, UAE and Pakistan.

A snapshot of selected Asian NPLs sourced from local country central bank websites and individual web sites is outlined below. Except for India, all numbers are in the local currencies of the respective country.

Country	NPLs	Date	Source (websites)	Comments
Thailand	THB388,628 million	30-Jun-09	Bank of Thailand	Commercial banks
Indonesia	Rp53 trillion	30-Jun-09	Bank of Indonesia/Local banks	Comprising substandard, doubtful and loss
Taiwan	NT3,076 million	28-Feb-09	FSC	Domestic banks, foreign branches and credit co-ops
Malaysia	RM32.6 billion	Jul-09	Bank Negara	Commercial banks
Philippines	PHP84.62 billion	30-Jun-09	Philippine Central Bank	Universal and commercial banks
Korea	KW14.3 trillion	31-Dec-08	Korean Financial Supervisory Service	Comprises sub-standard, doubtful and estimated loss
Japan	JPY17 trillion	31-Mar-09	FSA	Bankrupt / de facto bankrupt, special mention and doubtful loans across City banks , Former long-term credit banks, Trust banks, Regional banks, Credit associations and Credit unions
China	RMB518.1 billion	Jul-09	China Banking and Regulatory Commission	
India	US\$14 billion	Mar-09	Reserve Bank of India	Covers top 59 banks which accounts for 95% + of the Indian market
Australia	A\$17.2 billion	Dec-08	Australian Prudential Regulation Authority Quarterly Bank Performance	

NPL Sellers in 2009

Thailand:	TMB, Siam Commercial Bank, Bank of Ayudhya, Siam City Bank
Taiwan:	Chinfon Commercial Bank, Standard Chartered Bank
India:	Bank of Baroda, Canara Bank, United Bank, Bank of India, Central Bank of India
China:	China Orient (not yet closed)
Japan:	secondary sale of Lehman portfolios
Korea:	Shinhan Bank, SC Bank, Lotte Card, Citi Bank, Hana Bank, Woori Bank, Samsung Card, KEB
Philippines:	National Home Mortgage Finance Corp (securitisation)
Australia:	American Express, Westpac

The information contained in NPL Asia has been obtained from numerous sources in the market and is believed to be accurate at the time of going to print. We trust that you will continue to find this publication useful and welcome any comments you may have.



Coming to life

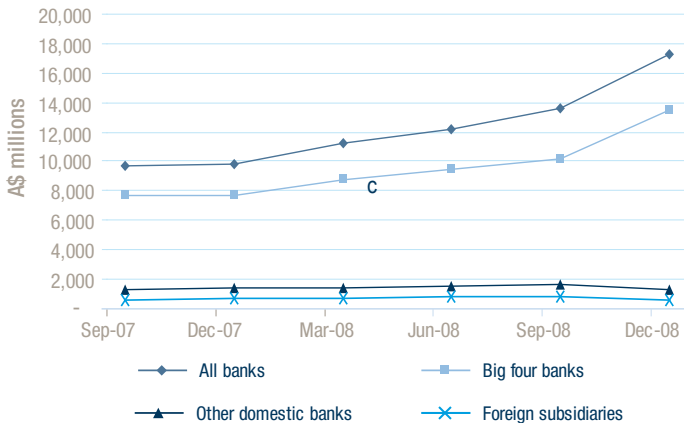
The Australian market has been relatively quiet on the NPL sales front, with the major banks only selling unsecured retail portfolios over the past 12 months. However, even in this once-vibrant sector, sales have largely dried up due to a major decline in buyer numbers and the prices offered on forward-flow sale agreements. Notwithstanding this, July saw one of the largest unsecured retail portfolio sales when American Express sold a large, unsecured loan portfolio with an estimated face value of approximately A\$180 million to local purchasers.

As a result of uncertainty about unemployment, buyers have shied away from pricing or, alternatively, have heavily discounted 12-month forward-flow agreements without significant vendor financing. There also appear to be fewer large service platforms willing to bid on portfolios, though a number of smaller service providers have appeared in the market with limited capital capabilities.

On the corporate side there have been no sales of note prior to August. In that month, over A\$600 million of Tranche B/C debt of Babcock & Brown International was sold by both local and offshore banks. To date, there have been no portfolio sales of either non-core or non-performing loan portfolios. There do, however, appear to be a number of non-core portfolios that are in run off.

Total NPLs in Australia rose to A\$17.2 billion as of December 2008, up from A\$9.9 billion in December 2007. The growth in provision balances is highlighted in the table below. The Australian market is dominated by the big four local banks: ANZ, CBA, NAB and Westpac. Over 81 per cent of all loans are with these banks.

Total lending provision balances



Source: Australian Prudential Regulation Authority, Quarterly Bank Performance - December 2008

In addition, non-core loan portfolios in Australia are currently estimated to be in excess of A\$30 billion (not including any of the big four Australian banks).¹ The majority of these non-core loan portfolios are in run-off mode as the pricing offered by the markets is far below any level of provisions.

With the continued opening up of the debt and capital markets, banks have been able to reduce balance sheets without forcing too many issues. However, as portfolios are reduced with relative ease, lenders will be left with the higher risk borrowers with increasing risk of re-financing. As a result sellers may be forced to start to look at alternative strategies to run off. We note though that due to the present pricing gaps, limited straight sales are expected, at least in the short term, and structured alternatives are the most likely outcome.

¹ Based on PwC's own research. Non-core may include both performing and non-performing loans.

Market standing still

The China market for foreign non-performing loan investment continues to be almost non-existent as investors ponder a recent Supreme Court ruling against UBS which may limit the ability of foreign investors to collect from guarantors. The ruling seemingly contradicts Supreme Court guidance issued just a few months earlier outlining how lower courts should handle NPL-related litigation.

As a result, foreign investors are almost unanimously pessimistic about present and future investment opportunities in what remains one of the largest NPL markets in Asia. To quote one foreign investor we spoke with recently, "the problem with the China NPL market right now is the unpredictability of its courts and the impact that has on the collection process ... every time we think we understand the rules the authorities throw a new roadblock in our path."

While its NPL ratios have come down significantly in recent years, China still has a mountain of NPLs that it needs to deal with. As of July 2009, the China Banking and Regulatory Commission estimated the NPLs in China's banking system at RMB518.1 billion (US\$76 billion), and while this is not as high as Japan's estimated US\$187 billion NPL level, still dwarfs those of all other Asian countries.

The real question, however, is the extent to which China's NPLs will increase over time as a result of the RMB7.4 trillion (US\$1.08 trillion) of new loans made by the country's banks in the first half of 2009 to help stimulate the economy. That's more than twice the amount of loans they made for all of 2008.

Like elsewhere in the world, banks in China are encouraged to remove NPLs from their balance sheets. For starters, NPLs are a drag on earnings, so banks with significant NPLs on their books will appear less profitable. But perhaps more importantly, removing NPLs enables Chinese banks to recapitalise, effectively replenishing their powder. This is extremely important as banks in China are growing rapidly and many are capital constrained. Removing legacy loans frees up lending capacity, which fuels growth. And, depending on the price the loans are sold for, it may also free up some much-needed capital.

In many parts of the world, banks can sell their NPLs directly to investors. In China, with few exceptions, banks are only allowed to unload their bad loans to four asset management companies (AMCs) that were established by the Government 10 years ago as part of its master plan to restructure the nation's banking system. The AMCs act as loan wholesalers, selling the NPLs they acquire to third-party investors.

But investors have long had difficulties in acquiring NPLs from the AMCs. This has largely been attributed to two factors: a nearly impossible-to-overcome bid/ask spread (the AMCs focus on their acquisition cost of the loans while investors focus on their recovery value) and an unpredictable approval process. As a result, many investors including Goldman Sachs and others have left China to seek better returns in more predictable markets. While these conditions still persist, investors that have managed to acquire portfolios have become increasingly frustrated by difficulties encountered in Chinese courts during the collection process.

Since late 2007, courts across China have invoked a self-imposed "three suspension policy" – the suspension of filing of new NPL-related cases, obtaining judgments on existing cases and execution of decisions made pending the above-mentioned

Supreme Court guidance. This, of course, has dealt a significant blow to investors hoping to use the courts to effect payment on their existing loans and has resulted in vastly reduced internal rates of return on portfolios as monies remain uncollected.

How has this all come about? Ever since investors in Chinese NPLs began taking debtors and guarantors to court, clever defence arguments have emerged to thwart collection efforts, particularly when involving state-owned assets. Over time, many courts became wary of making decisions in respect of cases involving state assets and began suspending judgments and taking on new cases pending guidance from the Supreme Court.

The guidance, which came out in March 2009, has had a big impact on the market. For starters, courts have been instructed not to accept cases against state-owned or state-controlled enterprises if the debtor is in the midst of a reorganisation, or against state-owned banks for defects in the NPLs after the AMC has assigned the NPLs to the purchaser.

In addition, the guidance indicates that the sale of NPLs can be invalidated for any number of reasons, including the debtor or guarantor being a government body, auction formats not being properly followed, necessary approvals not being obtained, and the all-inclusive “any other situations involving national or public interest.”

Buyers beware

On the one hand, for better or worse, the guidance handed down by the Supreme Court was relatively clear, and at least it was thought that its impact on value could be factored in by investors when pricing new portfolios.

However, in July 2009 the Supreme Court came out with another ruling which is of greater concern to foreign investors. The decision was against UBS in respect of UBS’s claims against a state-owned enterprise guarantor. What concerned foreign investors was that the Supreme Court’s March 2009 NPL guidance specifically covered the validity of guarantees, and stated quite clearly that when NPLs are transferred by the AMCs to investors, the underlying guarantees remain valid and the guarantor is not required to give its consent for the transfer. But in the UBS matter, the Supreme Court cited its December 2000 Interpretations of Guarantee Law and December 2004 Regulations from the State Administration of Foreign Exchange – not its March 2009 NPL guidance – when ruling that in order for a guarantee to be valid when transferred to foreign investors, the guarantor must provide its consent for the transfer, and the details of the guarantee must be registered with the local SAFE bureau. As UBS had failed to obtain such consent and had not properly registered the guarantee with SAFE, the guarantee was ruled to be invalid.

Most Chinese lawyers and foreign investors we have spoken to believe the Supreme Court ruling is at odds with the law as one of the Interpretations of Guarantee Law that the court refers to in its decision is applicable only to cases where the guarantee is to a foreign entity at the time of transfer, whereas in the UBS case the guarantee was to a domestic entity at the time when the AMC transferred it to UBS. While virtually all foreign investors are aware of the need to register their guarantees with SAFE, general market practice has not been to provide details of the individual guarantees.

Others believe it is possible that the court ruled as it did because it wanted to send a message to NPL investors like UBS that if they insisted on pursuing super-sized returns from guarantors, they would be stopped. This interpretation is supported by some investors we have spoken to who have not had problems getting courts to recognise the validity of their guarantees when challenged on similar grounds. They believe this is due to the fact that they haven’t gunned for outsized returns. According to one investor, “the Chinese don’t mind if you double your money, but they don’t like it much if they see you are about to make a killing.”



Why is the UBS ruling a big deal? Probably the biggest source of recoveries for China NPL investors is from guarantors, including collateral provided by guarantors. The UBS decision, if followed by lower courts as expected, effectively means that not only must foreign investors provide details of guarantees when they register them with SAFE upon acquisition, they must also get the consent of the guarantors in order for the guarantees to be effective. This will have a profound impact on recoveries as many guarantees may simply fall away since guarantors won’t willingly consent to a transfer – why would they when knowing that if they withhold their consent their liability to the investor will disappear? The impact of this ruling could be huge because, if followed, it may also decimate the market for secondary sales by foreign investors.

AMC bonds coming due

When the AMCs were established in 1999, the NPLs they acquired from the big four state-owned banks were transferred at their full face value of approximately US\$171 billion in exchange for 10-year bonds. As the underlying value of the NPLs transferred was clearly significantly less than the face amount of the loans acquired, it was never clear how the AMCs would have the funds to repay the notes upon maturity.

When the big four banks began going public in 2005, it emerged from their prospectuses that the Ministry of Finance would, if necessary, “provide support” with respect to the AMCs’ repayment obligations. The big question on everyone’s minds was now that the bonds are coming due and payable – with Cinda’s being the first in September – would the AMCs call on that support, or will the bonds simply be rolled over? The answer is now clear as the Ministry of Finance recently informed CCB that Cinda’s US\$36 billion bonds would be rolled over for another 10 years, with the 2.25 per cent interest remaining unchanged. That, of course, is good news for CCB as it will get to carry the bonds at full value until this question is revisited in another 10 years. Assuming the bonds of the other AMCs will receive similar treatment, and remain as sizeable debts on their respective books, it will be interesting to see how the rollovers impact the AMCs’ stated desires for listings of their own.

Final call

It has clearly been a tough year for foreign investors in the China NPL market. To date in 2009 we have only come across two NPL portfolio sales to foreign investors by the AMCs, the largest being a RMB3.2 billion portfolio in Guangzhou sold by China Orient to KAMCO. But even this transaction has yet to close.

In fact, none of the key China NPL investors over the past few years, including CarVal, DAC, Avenue Capital, G.E., Bank of America, Société Générale and ING, appear to have any near-term appetite for China NPLs – at least until the guarantee issue becomes clearer and the AMCs lower their asking prices. As one investor summed up, “I’m not sure we’ll ever get back into the market ... it will only be a matter of time before we see another policy shift and that makes it just too difficult to predict returns.”

Subdued but competition growing and outlook on the positive side

Since our last issue, there were reportedly seven NPL portfolio auctions, including Bank of Baroda (two separate auctions); Canara Bank (two separate auctions); United Bank; Bank of India; and Central Bank of India (corporate accounts).

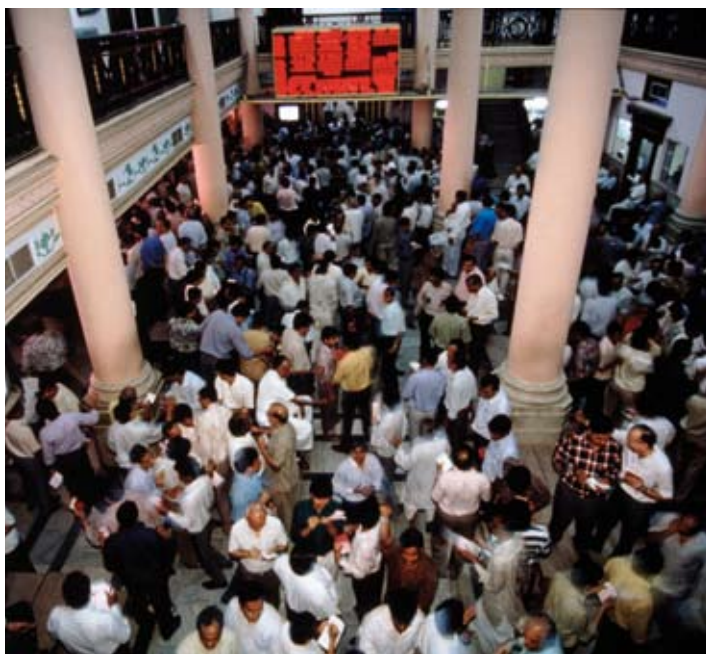
The aggregate outstanding principal of all deals was approximately US\$442 million. While Bank of India (US\$5 million) and Central Bank of India (US\$8 million) closed on a part basis, the remaining auctions did not close, primarily due to pricing considerations.

Late in 2008, Asset Reconstruction Company (India) Limited (ARCIL), the country's largest asset reconstruction company (ARC), had also brought a large NPL portfolio worth approximately US\$400 million to market. This was a secondary transaction as the NPL portfolio included cases where ARCIL had acquired and aggregated financial assets from different lenders and had implemented a resolution strategy. However, there was a lukewarm response and the transaction also did not close.

A relatively weak market environment after the economic downturn, reduced investor risk appetite, and issues relating to valuations were some of the key factors that affected the activity level. The market has also seen a move back to use of security receipts "SR" (which are pass-through instruments whereby originating banks receive payments as and when NPL investors realise NPL portfolios). While in 2007/2008 originating lenders had asked for upfront cash payments, recent transactions have seen separate bids on both an "upfront cash payment" and a "cash plus SR payments" basis.

More action expected in second half

To a large extent, Indian banks have not been as severely affected by the recent economic downturn. While the gross NPLs² in the Indian banking system have increased about 22 per cent from US\$12 billion in FY08 to US\$14 billion in FY09, the net NPL ratio is estimated at 1.09 per cent as at March 2009 compared to 1.04 per cent as at March 2008.



² Comprises gross NPL numbers available for 59 banks. These banks account for >95% of total banking system advances (excluding regional rural banks) in India.

This lower net NPL ratio is also on account of substantial restructurings, which were permitted by the Reserve Bank of India (RBI) in September 2008. In response to the slowdown and the global economic crisis, the RBI issued guidelines permitting accounts which were restructured prior to 30 June 2009 to be treated as standard accounts. As per media reports, India's leading 15 banks restructured loans worth around US\$9 billion in the previous fiscal year, helping them contain their NPL levels. However, some of these restructured cases are expected to come under pressure going forward.

In India, NPL activity typically picks up in the second half of the financial year (ending March 2010) and many banks, including Bank of India, Bank of Baroda, UCO Bank, Dena Bank, Central Bank of India, State Bank of Hyderabad, State Bank of Bikaner and Jaipur and State Bank of India, have indicated their intentions to undertake portfolio auctions (largely corporate) in the next few months.

On the retail NPL side, ARCIL has set up Arms, a new division to focus on retail NPLs. It is in the process of setting up infrastructure for the division. In addition to managing its retail NPL portfolio, ARCIL intends to position Arms as an industry-wide platform for providing retail NPL portfolio management services to other lenders/ARCs. To date, we understand ARCIL has acquired retail loans amounting to US\$330 million, mostly comprising bilateral acquisitions from ICICI bank.

While ARCIL has raised its equity base to approximately US\$300 million, it is also in the market raising a distressed debt fund (Series II).

New players enter

Other players in the retail NPL space include Phoenix ARC, with a book of approximately US\$144 million. While banks are keen to explore these transactions, valuation issues, lack of information on collection trends, and the current regulatory framework governing collection procedure have affected these transactions.

As for ARCs, India currently has 12 ARCs, with SME Asset Reconstruction Company (ISARC) being the latest entrant. The lead promoter of ISARC is Small Industries Development Bank of India (SIDBI). As the name suggests, it proposes to focus on small and medium enterprises.

Going forward, we expect to see increased competition for bank NPL assets. Several of the new ARCs are in the process of identifying partners and raising additional equity funds. We understand that a few other players have approached the RBI for ARC registration. The RBI has also issued various regulatory clarifications on the functions of ARCs. These state ARCs can deploy their own funds for undertaking restructuring of acquired loan accounts for realising their dues. It is expected that this move will help ARCs to more effectively assist turnarounds as well as to take a stake in sound businesses afflicted with a paucity of funds.

While restricting inter-ARC transfer of financial assets, the RBI has also, as an interim measure, allowed ARCs to extend the life of the schemes, which have completed five years, by another two years. A few industry experts have attributed both these regulatory developments to ARCIL's attempts for secondary sale and possibility of transfer of NPLs from one ARC to another ARC. However, this restriction would also affect aggregation of financial assets, which is required for security enforcement, and has been taken up with RBI for its review.

Market Players

Due to historical deal flow, a number of distressed funds are already present in India. In addition, strategic investment groups of foreign banks have established a presence and are active. While 2009 has been relatively slow in the single-credit space, deal flow in this area is expected to increase as some of the restructured cases fail to comply with their plans and as such are likely to be brought to market.

We note that investors still remain keen on India as has been demonstrated by a number of successful QIP placements of many companies, including a number of real estate players who were adversely affected by the recent global economic crisis. According to public data, approximately US\$3 billion has been raised by various real estate players in 2009.

Conclusion

While 2009 has seen limited successful transactions in the distressed debt space, we expect NPL sales will continue, with a number of banks announcing plans to approach the market.

In this regard, for retail books, given regulatory issues, lack of information on past collection trends and lack of integrated servicing infrastructure, we expect lenders to explore bi-lateral deals primarily with Arcil and other ARCs, while corporate books will likely be offered to the broader investor community. We also expect increased activity in the single credit market as borderline restructuring cases are likely to come back to the market.

Summary of NPL numbers in the Indian market

Bank category	Total number of banks	March 2009 (INR)				March 2008 (INR)			
		Banks (for which data is available)	Net NPLs	Net advances	Net NPL ratio	Banks (for which data is available)	Net NPLs	Net advances	Net NPL ratio
Public sector	21	19	192,378	20,030,437	0.96%	19	163,555	15,742,452	1.04%
Old private sector	15	11	11,383	1,162,085	0.98%	11	7,144	1,014,799	0.70%
New private sector	8	7	62,528	4,446,457	1.41%	7	46,400	3,859,997	1.20%
Foreign	29	22	29,808	1,618,091	1.84%	22	12,506	1,588,186	0.79%
Select foreign – Standard Chartered, Citibank, HSBC, Deutsche, ABN Amro	NA	NA	23,994	1,304,820	1.84%	NA	11,813	1,310,140	0.90%
			Mar-09			Mar-08			
Total NPLs in Indian public and private sector			296,097	27,257,070			233,536	22,718,041	
Convert to US\$ @ 45 (note 1)			6,580	605,713			5,190	504,845	
US \$ billion			7				5		
NPL ratio			1.09%			1.03%			

Source: Reserve Bank of India website

Note 1: Conversion at the rate of 1USD = 45 Rupee

Note 2: Public Sector Banks include the State Bank of India Group comprising 7 Banks



Steady decline of NPL ratios

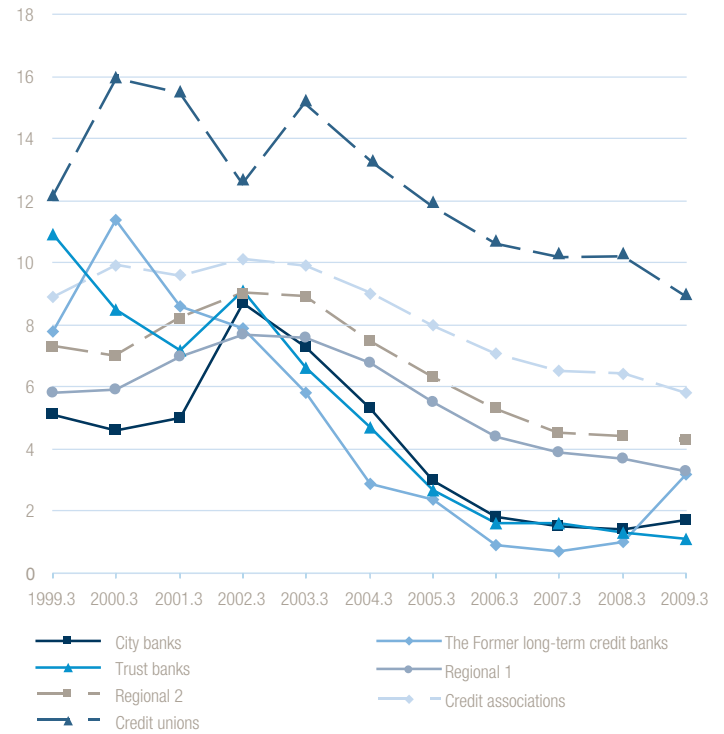
The total amount and ratio of NPLs held by Japanese banks has been steadily improving since 2002, though NPL ratios rose again in 2008 due primarily to the financial crisis.³ This improvement is the result of both an economic recovery and government financial aid programs.⁴

Looking at the various financial sub-sectors, city banks and trust banks under the major financial groups (such as Mitsubishi Tokyo UFJ, Mizuho and Sumitomo Mitsui) reduced their NPLs to JPY4.1 trillion as at the end of March 2009. This was equal to 24 per cent of total NPLs and only 2 per cent of total credit.

However former long-term credit banks, Aozora Bank and Shinsei Bank, which had reduced their NPL ratio (combined for the two banks) to 0.7% of total credits as at the end of 2007, experienced increasing NPLs in 2008 resulting in an NPL ratio (combined for the 2 banks) of 3.2% of all credits as at the end of March 2009.

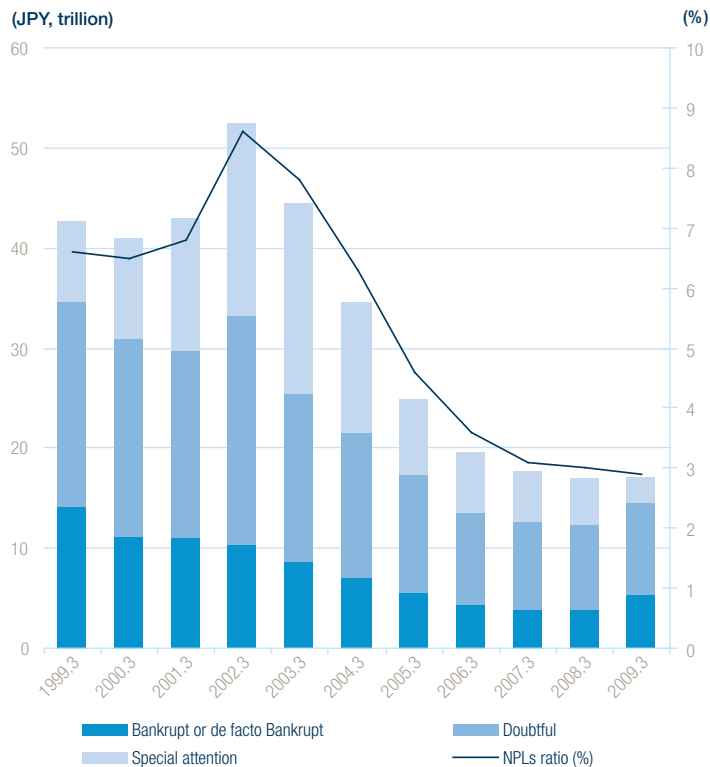
NPL ratios at regional banks, credit associations and credit unions, whose main clients are local small and medium-sized enterprises, have been cut in half over the past five years. However, their NPL exposures still reached JPY12 trillion as of the end of March 2009 – three times as much as city banks.

NPL ratios by bank type

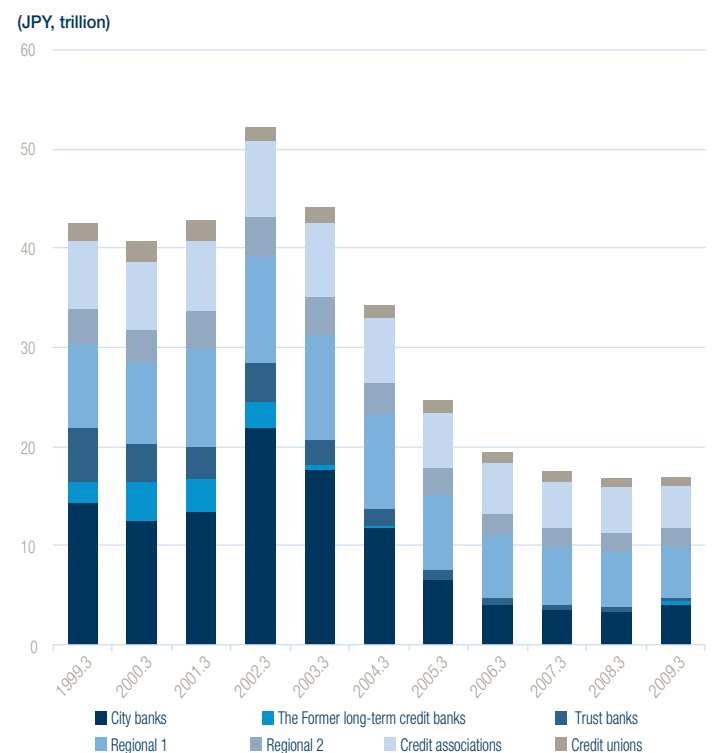


Source: Financial Services Agency

NPL volume by status (left) and by bank type (right)



Source: Financial Services Agency



³ There are no official statistics on the amount of non-performing consumer credit held by non-banking financial companies in Japan.

⁴ To assist the recovery of the financial sector, the Government utilized the Resolution and Collection Corporation and the Industrial Revitalization Corporation of Japan, which invested public money directly into banks.

Present situation

With NPL levels on the rise, both Japanese and foreign distressed buyers have been actively looking at the Japanese market. Locally, RISA Partners (a listed company focusing on principal investment, fund management and financial advisory services) entered into a capital partnership with NEC Capital Solutions (a financial services provider affiliated with leading electronics manufacturer NEC) to expand its NPL activities. In addition, in September 2009 Secured Capital Japan announced the creation of a JPY50 billion fund focusing on NPL acquisitions.⁵

Foreign investors including Goldman Sachs, Oak Tree Capital Management, Lone Star Group, Blackstone Group and Fortress Group are also said to be looking for NPL investment opportunities. In January 2009, some of these firms were reportedly considering acquiring the assets of Lehman Brothers Commercial Mortgage and Sunrise Finance. These are collapsed subsidiaries of Lehman Brothers Japan with debts of JPY748.3 billion. The final sale result is not publicly known.⁶

However, there have been limited opportunities for such large-scale NPL transactions. While NPLs held by regional banks and mortgage loans held by all banks are high and rising (see chart below), the average size of recent NPL transactions has typically been below JPY1 billion. Nevertheless, this area represents the most likely opportunity for distressed buyers in the near future.

⁵ Secured Capital Japan is a real estate and mezzanine investor listed on the Tokyo Stock Exchange.

⁶ On 7 September 2009, Private Equity International Asia reported "Lone Star Funds is poised to complete the purchase of US\$10 billion of non-performing and performing loans from the Japanese business of Lehman Brothers for less than US\$300 million." However, Lone Star Funds has neither confirmed nor denied this report.

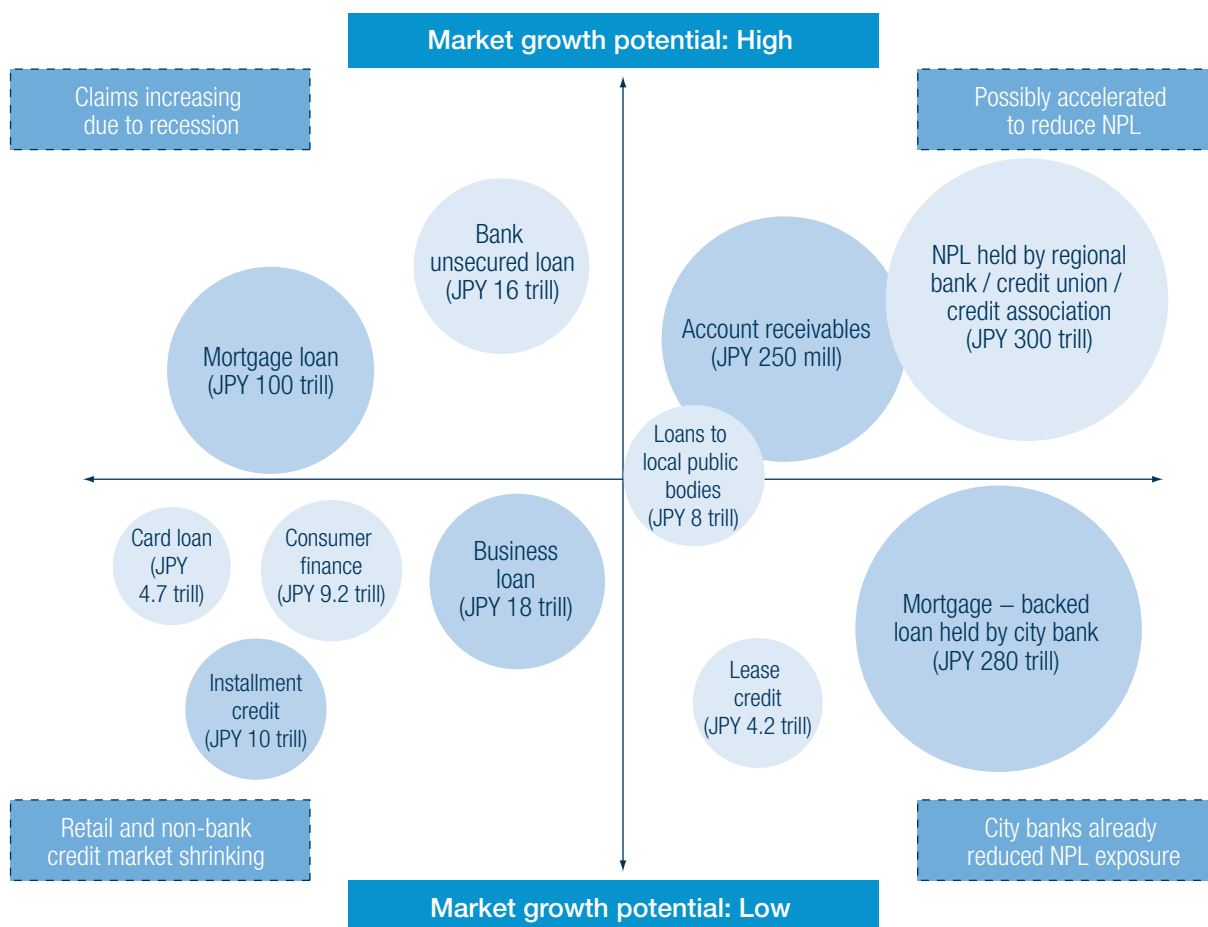
One group that has already benefitted from rising NPLs is Japan's servicers, which have enjoyed significant market expansion. Yano Research Institute estimates that the market size of the servicing industry was approximately JPY250 billion in 2007 (and estimated to grow more in 2008), compared to JPY82 billion in 2002. According to Tokyo Shoko Research, the number of bankruptcies in 2008 rose by 12 per cent compared to 2007 and the total value of defaulted debt grew by 141 per cent and amounted to JPY14 trillion.

With rising competition, some servicers are considering a partnership strategy, such as the August 2009 strategic alliance formed between Tokyo-based servicer Capital Servicing and the listed financial investment company, Fintech Global.

Outlook

Japan's NPL market is expected to expand both in the short term and in the mid term. In the short term, the market expects that the number of NPL transactions may increase due to the expected increase in bankruptcies. In the mid term, opportunities are expected from regional banks as their account receivables and NPLs continue to grow. In addition, the Financial Services Agency, which regulates and supervises all financial institutions, is pushing for banks, especially regional banks, credit unions and credit associations, to improve their balance sheets. This may lead to increased selling of NPLs as well as a strengthening of their collection systems. However, we note that NPL transactions appear to be getting smaller and pricing pressures are likely to impact internal rates of return.

Market size and growth potential of NPL-related business by credit type



Source: JPN Holdings Company Ltd. Figures in circles are credit balances and include credits classified as 'normal'.

Changing mix and renewed interest from foreign investors

During the first half of 2009, there was an increase in housing sector loan sales (mainly loans that were subject to some form of restructuring arrangements), although the overall outstanding principal balance of the loans offered for sale was not significantly different from the prior year.

The sale of other types of loans slowed compared to prior years but this is likely to change with corporate loans and NPLs subject to restructuring, work-out and bankruptcy being expected to increase during the second half of 2009 as financial institutions complete restructuring initiatives.

Public vs. private

With the establishment of the Structural Regulation Fund in February 2009 and the Public Fund Management Committee due to be established by the end of August, the Korean government has suggested financial institutions aim for 1 per cent NPLs and requested feedback from financial institutions on how this will be achieved.

This guideline was issued in July 2009. Financial institutions are taking time to consider how to achieve the target and are looking at options including private 'bad banks' and NPL sales. The overriding concern is portfolio pricing, which has fallen in line with tougher economic conditions. This led to six commercial banks, Kookmin, Shinhan, Woori, Hana, IBK and National Agricultural Cooperative Federation, agreeing to establish a private bad bank which would allow them to remove toxic assets from their balance sheets.

With initial capital of KRW1.5 trillion and a fresh MOU, the bad bank is likely to be in place by the end of 2009. It will target the immediate purchase of NPLs, though it remains unclear how pricing is to be determined.



Market players

The movements of foreign investors in the Korean market have largely followed the region's economic cycle. In 1998 the Korean government requested the assistance of the IMF after financial collapses in East Asia, opening the road for many foreign investors to enter Korea. As the economy has recovered over the past 10 years, many of the foreign investors have focused on other markets. However, interest has returned following the financial turbulence since October 2008.

Similarly, domestic investors have scaled down major investments due to the financial crisis, but are increasingly targeting NPL investments again. As competition in the market among investors (foreign and domestic) increases and the overall quantity of NPLs in the market decreases, bid prices have shown an upward trend.

Going forward, the NPL market looks set to grow, especially once the bad bank referred to above is up and running, and as remaining banks look at ways to meet the 1 per cent NPL target.

Summary of NPL sales in Korea in 2009

Seller	OPB (US\$ million)	Bid Date	Buyer	Type	Sales Structure
Shinhan Bank	150	Sep-09	Ongoing	Special	Open bidding
SC Bank	8	Aug-09	A1 Asset Management	Household	Open bidding
Lotte Card	24	Jun-09	Union Asset	Household	Open bidding
Citi Bank	116	Jun-09	Solomon Mutual Savings Bank, A1 Asset Management	Household	Open bidding
Hana Bank	80	Jun-09	Pinetree	Household	Open bidding
Woori Bank	96	Jun-09	Woori F&I, Hanshin Mutual Savings Bank	Secured	Private deal
Samsung Card	352	Jun-09	Pinetree, HMC Securities	Credit card	Open bidding
KEB	176	May-09	Hyundai Mutual Savings Bank, Woori F&I, DNP	Secured and special	Open bidding
Hana Bank	240	Mar-09	JinHeung Mutual Savings Bank, Hyundai Mutual Savings Bank	Secured	Open bidding

Source: public data

NPLs fall as unemployment remains low and central bank provides help

The value of non-performing loans in the Malaysian banking system has trended downwards, with gross NPLs falling from RM34.3 billion in December 2008 to RM32.6 billion in July 2009.

For consumer loans, one of the reasons for the downward trend is the relatively low unemployment rate despite the economic slowdown. While customers may have tightened their spending due to inflation, there have been no widespread job losses other than in some export-oriented sectors such as electronics and furniture. In addition, banks have been more willing to help customers restructure their loans and stretch their repayments over a longer period.

This, coupled with Bank Negara Malaysia's move to allow banks to reclassify an NPL (for consumer and corporate) as 'performing' immediately after a borrower agrees on their loan rescheduling, has also impacted NPL numbers. Previously, banks could only reclassify these NPLs as 'performing' upon customers complying with the restructuring plan for six consecutive months from the date of rescheduling.

For corporate loans, Bank Negara Malaysia has also been proactive in providing appropriate avenues to help distressed borrowers restructure and reschedule their debts. In July 2009, the Corporate Debt Restructuring Committee (CDRC) recommenced operations. The CDRC was established during the 1998 financial crisis and successfully resolved 57 cases involving total outstanding debts of RM45.8 billion before its closure in 2002. The CDRC provides a platform for corporate borrowers and their creditors to work out feasible debt resolutions without having to resort to legal proceedings.

To qualify for CDRC help, companies must have debts of at least RM100 million, at least three financial creditors (either banks or private debt securities) and must not already be in receivership or liquidation. Another debt resolution forum, the Small Debt Resolution Scheme, had as at December 2008 facilitated restructuring and rescheduling of 808 applications from SMEs with ongoing businesses that had, as a group, accrued debts of RM563 million.

As reported in the previous issue, investor activity in Malaysia has eased due to credit pressures and buyers' expectations that sellers will be forced to accept reduced prices at some point in the future. There is, however, still some appetite among investors, especially from those who already have local outfits, to increase their portfolio size and benefit from economies of scale.

On the other hand, sellers are still generally taking the position that it may be better for them to recover the loans inhouse rather than sell them. In this regard, one major bank is considering creating a 'bad bank', seeded initially with existing non-performing loans and staff, to deal with their current NPL position. Generally, there is no immediate pressure for banks to offload their portfolios, given the low number of new NPLs coming through the system and their generally strong capital position which can absorb additional provision requirements. However, there is at least one bank in the early stages of evaluating a portfolio sale. If the bank does decide to proceed, the portfolio is expected to be put to market in the first quarter of 2010. There is a general sense that sellers may be prepared to consider the sale of single credits, depending on the business case.

Domestic bank NPLs steady despite GFC

Philippine banks are continuing to defy analyst predictions of an increase in soured loans as NPL ratios remain at similar levels to before the global financial crisis.

Global and local analysts generally believed the Philippine banking industry would not be spared from the crisis. At the start of the year, rating agency forecasts indicated Philippine banks could expect their financial profiles to deteriorate and NPLs to surge. This prediction, however, is yet to materialise as the domestic banking sector continues to sustain its NPL pre-crisis levels.

In June 2009, Bangko Sentral ng Pilipinas (BSP) reported that the NPL ratio of universal and commercial banks was 3.36 per cent, down from 3.69 per cent in May. According to the BSP, total NPLs of universal and commercial banks dropped to PHP85 billion against the banks' total loan portfolio of PHP2,518 billion. This was the lowest ratio recorded since the peak of 19 per cent in October 2001. The decline is a sign of resilience in the industry as it follows a better-than-expected first quarter performance.

Trend of NPL ratio and levels

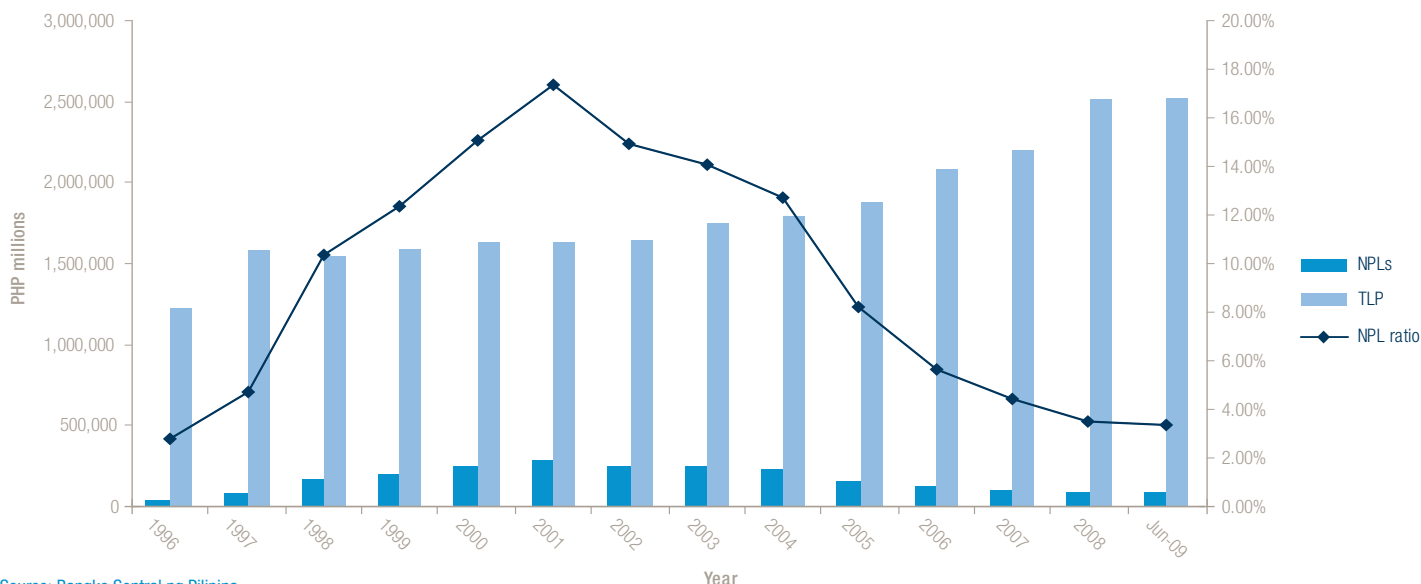
The downward trend in the NPL ratio is a strong indicator of the industry's drive towards pre-Asian crisis levels. The following graph illustrates the percentage of NPLs against the total bank loan portfolio.

The total loan portfolio of banks grew 7 per cent from PHP2,345 billion in June 2008 to PHP2,518 billion in June 2009, while NPLs decreased by 10 per cent from PHP94 billion to PHP85 billion over the same period.

Conversely, the outstanding loans of thrift banks increased by 3 per cent from PHP296 billion in March 2008 to PHP304 billion one year later.



NPL ratio vs. total loan portfolio, Philippine banks



Source: Bangko Sentral ng Pilipina

Thrift and rural banks

At the end of the 30 March 2009 quarter, thrift banks' NPL ratio stood at 8 per cent. The ratio is up from last quarter's 7 per cent and last year's 7 per cent. The rural banking system's NPL ratio sat at 11 per cent, up from the previous quarter's 10 per cent.

While the numbers are up, the BSP is optimistic about the asset quality of the banking system and the response of the thrift banking sector to the global financial crisis. The BSP believes that although the ratio represents a slight uptick, this is an expected reaction to the crisis and the overall capitalisation of the system is sufficient to cope with these challenges.

In addition, the observed effects of the financial crisis on NPL ratios are a positive sign. NPL ratios for universal and commercial banks are being sustained at a low level. And while the NPL ratio of thrift and rural banks has increased marginally, this response is relatively better than the reactions observed at the start of the Asian financial crisis in 1997.

Completed and expected sale of NPLs for 2009

The major transaction completed in 2009 was the PHP2 billion securitisation of mortgage loans by state firm National Home Mortgage Finance Corp. (NHMFC). NHMFC's five-year debt issue, which consisted of PHP2 billion of 'AA' notes and PHP 310 million of sub-notes, was priced at 8 per cent, 200 basis points above the five-year benchmark Philippine Treasury bond.

NHMFC plans to issue a second tranche by the end of December 2009.

While few banks have embarked on sales of NPLs or real and other properties owned or acquired in 2009, a number of secondary sales have occurred and interest levels in the Philippines remains high.

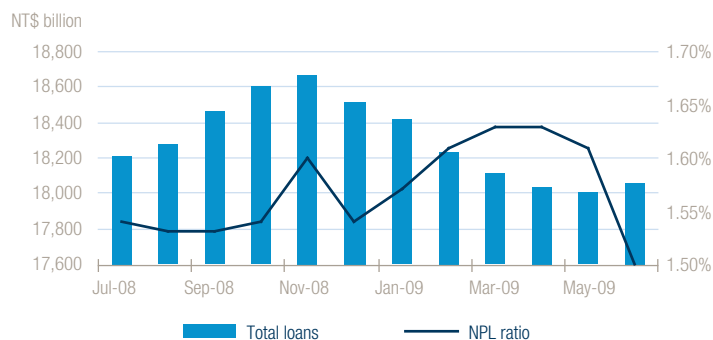
Taiwan

Government policy helps keep bank NPL ratios down

Taiwanese banks have been able to keep the sector's overall NPL ratio under control due largely to relaxed government policies on loan extensions. This resulted in low deal flow in the first half of 2009.

Due to the Government's policy of supporting distressed businesses during the economic downturn, qualified borrowers can apply for extended grace periods on their loans. This has kept the overall NPL ratios for Taiwanese banks within a 1.5 per cent – 1.7 per cent range during the January-June 2009 period. While this may only defer defaults, Taiwanese banks are relieved of the immediate pressure that would accompany rising NPL figures.

Movement of NPL ratio in the past year



Source: Financial Supervisory Commission, Executive Yuan, R.O.C., Banking Bureau

Two sizeable public auction sales advised by PwC led the market in 2009.

The first involved Chinfong Commercial Bank (CFB), the only remaining Taiwanese bank with a double-digit NPL ratio. The CFB was taken over by the country's Financial Supervisory Commission (FSC) and a public auction of its NPLs was held in March 2009.

The commission appointed PwC as the lead adviser to assist in the NT\$38.6 billion (US\$1.2 billion) auction, which marked the largest NPL sale in the first half of 2009. The breakdown of the sold portfolio – divided into four tranches based on loan types – is shown in the table below.

CFB NPL sale results – March 2009

Tranche	NPL balance (US\$ million)	Buyer	Type
A	609	Mega AMC	Corporate and secured household
B	190	Yantze Associate Fund 2	Credit/cash card and unsecured loans
C	189	Yantze Associate Fund 2	Credit/cash card and unsecured loans
D	181	Liangjing AMC	Credit/cash card and unsecured loans

Source: Public information

The second deal involved Standard Chartered Bank (SCB) adding NPLs acquired through its acquisition of Hsinchu International Bank in 2006 onto its balance sheet. SCB appointed PwC in 2009 as financial adviser to assist in the public auction of these bad loans.

The portfolio consisted of NT\$9.3 billion (US\$282 million) in corporate/individual loans and NT\$1 billion (US\$30 million) in mortgage loans. Taiwan Asset Management Corporation (TAMCO) won the bid for most of the corporate/individual loans while ORIX Taiwan Corporation bought all of the mortgage loans.

SCB NPL sale results – 17 August, 2009

Tranche	NPL balance (US\$ million)	Buyer	Type
A	155	TAMCO	Corporate and individual
B	30	ORIX Taiwan	Secured mortgage
C2	10	CDAMC – Growth 1	Corporate
C6	3	Mega AMC	Corporate
C7	2.5	CDAMC – Growth 1	Individual
C9	1.4	Individual investor	Corporate

Note: Some tranches are in the negotiation process

Source: Public information

NPL sales other than the CFB and SCB auctions consisted primarily of credit/cash card loans and the participating portions of syndicated loans. These sales are listed below.

Other NPL sales – January to August 2009

Seller	NPL balance (US\$ million)	Buyer	Type
American Express (Taiwan)	150	Fubon AMC	Credit/cash card
Mega, FCB, CHB, BOT	30	undisclosed	Syndicated loan
CHB, FCB	86	undisclosed	Syndicated loan
CHB	141	To be auctioned	Corporate and individual
CHB	26	To be auctioned	Corporate
Mega	6.8	To be auctioned	Corporate

Source: Public information

Distressed banks acquired by foreign institutions are the most likely sources of future NPL sales.

Historically, the state-controlled banks are the largest suppliers of Taiwanese NPLs to the market. However, lenient government policy on loan extensions has enabled the NPL ratio of these banks to remain low despite the impact of the economic downturn. While smaller private banks have higher NPL ratios, their portfolio size may not be enough to organise sales in significant volume. In addition, some of the smaller banks may not have enough capital to sustain the likely impact of NPL disposals. Where the market may see activity is from acquired distressed banks with foreign financial backing which are looking to clean up their balance sheets and/or shed non-core portfolios.

Over the past few years, foreign banks have made several acquisitions of distressed domestic banks. Disposing of a large number of NPLs from the merged assets is a suitable approach to quickly improve overall asset quality. An example can be found in SCB's August 2009 NPL auction. We expect a flow of future deals from similar sources.

Domestic banks acquired by foreign bank in recent years

	Acquired bank	Acquirer	Acquirer NPL ratio as of June 2008 (%)
2006	Hsinchu International Bank	SCB	2.68
2007	Taitung Business Bank	ABN AMRO	2.09
2007	The Chinese Bank	HSBC	2.93
2008	BOWA Bank	DBS Bank	3.29
2008	Asia Trust	SCB	2.68

Source: Public information

With diminishing NPL portfolios in hand, asset management companies (AMCs) are more aggressively targeting new NPL purchases.

On the buyer side, existing AMCs are active after realising portions of portfolios acquired over preceding years. As the economic condition stabilises and investment from China increases, many expect a recovery in real estate prices. From our observations, this may prompt buyers to acquire new NPLs while disposing of existing portfolios.

Most AMCs now have long-established and organised platforms for executing the disposal of NPL portfolios. In order to fully use these existing resources, AMCs are more aggressively seeking new NPLs to purchase. Local AMCs such as TAMCO and MEGA remain the largest buyers in recent auctions. The foreign AMC ORIX has also made a few acquisitions, the most recent being a portfolio of mortgage NPLs in the SCB auction earlier this year.

While the market is essentially dominated by buyers with existing platforms, Taiwan's consistent deal flow is attractive and a couple of new entrants are closely watching for opportunities to participate in future deals. With a decreasing supply of large corporate loans in recent NPL sales, future transactions are likely to involve smaller consumer loans, unsecured loans and some syndications.

Some of the unsecured and syndicated loans are likely to come to market over the remainder of 2009. However, as buyers look to realise value on already-acquired NPLs, some secondary trading may also occur.

Thailand market still vibrant despite price concerns

Thailand is still one of the more active markets for NPL transactions in Asia. However, pricing pressure has seen a number of deals not completed, including:

- Siam Commercial Bank (SCB) auctions in late 2008 and early 2009. Both auctions comprised primarily SME and retail loans with a face value of approximately US\$90 million and US\$65 million respectively.
- Bank of Ayudhya's (BAY) approximately US\$330 million portfolio comprising Corporate, SME and Retail tranches. While multiple bids were received for all tranches, negotiations with bidders failed to bridge the pricing gap.

Early 2009 also saw the conclusion of a TMB Bank NPL/non-performing assets (NPA) auction, with a total outstanding principal balance of approximately THB 55 billion, which had originally commenced in September 2008. With only one tranche selling at the first round of bidding (with an approximate face value of THB5.7 billion to Sukhumvit Asset Management Company (SAM)), all bidders were asked to resubmit bids in February 2009.

According to market rumours, one or two parties resubmitted and, following negotiations, the Bangkok Asset Management Company (BAM) acquired approximately THB16.5 billion in NPLs and a small quantity of NPAs. The remaining NPLs and NPAs did not trade.

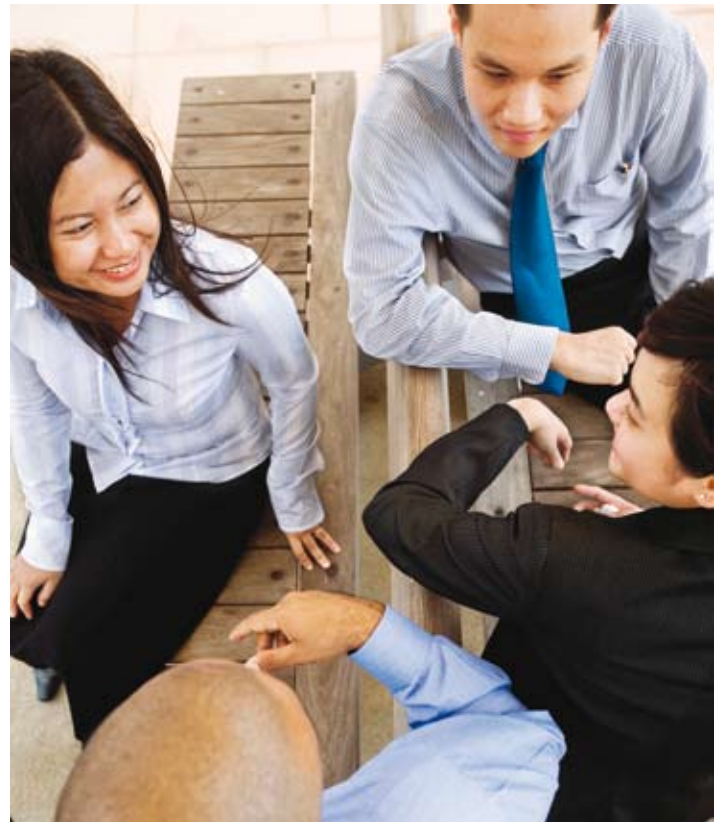
The TMB transaction with BAM was rumoured to be on a deferred payment basis (reportedly over seven years supported by promissory notes attracting some coupons). While reportedly BAM has often preferred this payment method, especially in relation to the purchase of Non-Performing Assets ("NPAs or "foreclosed properties") the TMB partial sale was the first time in a large public auction that a bid of this nature was accepted. Historically, the purchase price has been fully funded within three months of the signing of the sale and purchase agreement.

The market responded in mixed fashion to this bid method, with some parties withdrawing from bid processes and some continuing to submit cash bids, and it remains to be seen whether future deals are structured this way. It is clear, however, from a number of deals that failed to close that pricing gaps have grown in Thailand and buyers and sellers alike are exploring ways of bridging this pricing gap.

In addition to larger auction-style transactions, a number of smaller portfolios and single credits have also been offered for sale, typically on a private bilateral basis. However, pricing gaps have also affected these transactions.

The Thai NPL market is generally an open playing field with multiple parties successfully acquiring NPL portfolios over the past several years. Some of these parties have operations in Thailand, while others have outsourced collections to local third-party servicers. In addition, while portfolio auctions are still generally well attended, with three to six parties registering for most auctions, the effects of the global economic downturn on the distressed debt community are being felt, resulting in a general lowering of bid prices.

This has seen local government-owned asset management companies (AMCs) in the form of SAM and BAM emerging as the dominant NPL buyers. In sharp contrast to 2006 and 2007, when the likes of Morgan Stanley, Standard Bank of South Africa, Standard Chartered and Lehmans were successful buyers,



virtually all successful portfolio auctions since June 2008 have been acquired either by SAM or BAM.

The main source of NPL deals in Thailand is the commercial banking sector, which comprises 14 banks:

- 12 private banks, including:
 - Six majority Thai-owned: Bangkok Bank (BBL), Siam Commercial Bank (SCB), Kasikorn Bank (KBank), TISCO Bank (Tisco), Kiatnakin Bank (KK) and ACL Bank (ACL);
 - Four with foreign strategic partners: Bank of Ayudhya (GE), TMB Bank (ING), Thanachart Bank (Bank of Nova Scotia) and CIMB Thai Bank (CIMB)
 - Two foreign-owned: Standard Chartered Bank and UOB
- Two state-owned banks: Krungthai Bank (KTB) and Siam City Bank (SCIB) (although the FIDF shares in SCIB will be offered for sale, most likely in the first quarter of 2010).

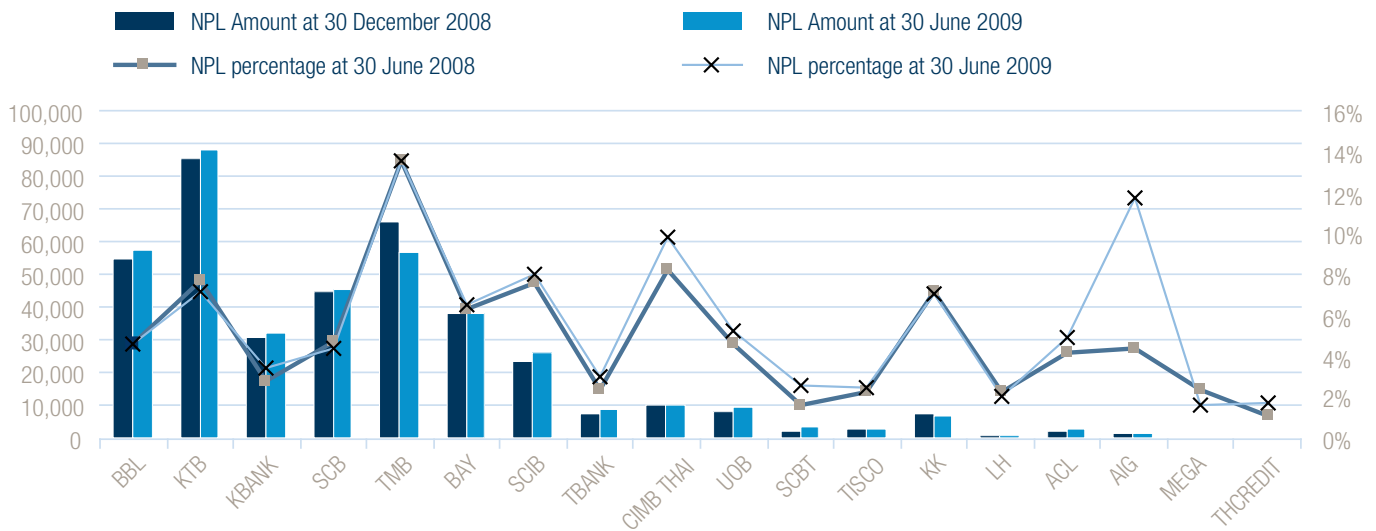
There is also an export and import bank wholly owned by the Royal Thai Government (Exim Bank), 15 branches of foreign banks and a number of finance, credit card, personal loan and credit financier institutions.

Known past portfolio sellers include BAY, SCB, SCIB, KBank, Exim Bank, TMB and Bank Thai (now known as CIMB Thai Bank), while virtually all of the remaining banks have engaged in privately negotiated transactions.

In addition to the transactions outlined above, SCIB is in the process of auctioning THB15.6 billion of NPLs via seven tranches. While first-round bids were due in early September, SCIB asked all bidders to resubmit. While second-round bids have been submitted, market rumours indicate that sale results are unlikely to be known until mid to late November.

As at 30 June 2009, gross NPLs for the 14 commercial banks stood at 5.74 per cent, which is a 1 per cent-plus increase over the last 12 months. A comparison of commercial and retail bank NPLs as at 30 June 2009 and 31 December 2008 is shown in the following graph.

Gross NPL – Thai commercial banks (Thb millions)



Source: Bank of Thailand web site

In summary this represents:

NPL - Thai commercial banks (14)								
Million baht	2003	2004	2005	2006	2007	Jun-08	Dec-08	Jun-09
NPL amount	591,019	556,998	461,438	426,196	441,599	436,424	384,724	388,628
% total loans	13.52%	11.82%	9.05%	8.03%	7.81%	6.97%	5.62%	5.74%

Source: Bank of Thailand web site

Outlook

While more muted than in previous years, Thailand continues to be one of the more active Asian countries in terms of distressed debt transactions. Ongoing discussions with the banking community indicates that many Thai banks will continue to offer NPLs to the market to resolve debt, both via portfolios and on a single credit basis.

As expected, the economic downturn combined with the effects of political unrest in Thailand has resulted in lower bid prices. Both sellers and buyers are exploring alternatives to the straight cash sale in an effort to bridge pricing gaps.

The majority of portfolios offered in 2009 continued to comprise secured NPLs typically split into large, medium and small. However, NPAs and unsecured loans are now also being offered in increasing numbers.

Other activities in the market include the forthcoming sale by the Financial Institution Development Fund (FIDF) of its shares in Siam City Bank. A number of local and foreign institutions have expressed interest in this transaction, which follows the FIDF's disposal of Bank Thai shares last year. There is also market talk surrounding the NPL and NPA portfolios currently managed by

the Thai Asset Management Company (TAMCO), a state agency created in 2001 to tackle growing NPLs. TAMCO was established by special decree with a finite life and the market is wondering what will happen to its portfolio in the event of closure. Market talk also indicates that some of the Lehman assets will be offered for sale before the end of 2009.

It is also worth noting that Thailand is still working towards full compliance with IAS 39 in anticipation of the proposed alignment of the Thai Accounting Standards Framework with the International Financial Reporting Standards (IFRS). This is due by 2011 for the top 50 listed companies and 2015 for all other companies. There are rumours that this deadline may be extended by up to two years – however, there has been no formal announcement as yet.

Regarding IAS 39 implementation, industry discussion is continuing around areas such as levels of disclosure, discounting rates and treatment of purchased NPLs. In terms of Basel II, all Thai banks follow the standard approach which can require a risk weight of 150 per cent on certain classes of NPLs.

Outlined below is a summary of portfolio transactions since August 2008.

Seller	Tranche	OPB THB billions	OPB US\$ millions	Date	Buyer
SCIB	Mixed	11.1	327	Aug-08	BAM
SCB	SME/retail	3	87	Sep-08	No trade
Bank Thai	Corporate	3	88.2	Nov-08	No trade
TMB/Phayathai	NPLs – multiple tranches	35.3	1,038	Nov-08	Partial sale of approximately THB21 billion in NPLs and NPAs to SAM and BAM
	NPAs – multiple tranches	15	441.2	Nov-08	
Phethai AMC	NPLs	5	142.9	Nov-08	No trade
SCB	SME/retail	2.25	64	Jan-09	No trade
BAY	multiple tranches	11.5	337	Jun-09	No trade
SCIB	multiple tranches	15.7	467	Sep-09	Ongoing
		100.35	2,952.30		

Source: PwC market research. Please note that this information has not been verified. It is not intended to be a full list of all sales, but rather a selection of some publicly known sales that PwC is aware of.



Our Contacts

Across Asia we have experienced partners and directors who can assist you with your NPL-related needs. In addition, PwC has a dedicated international NPL group that can act as an overall coordinator for worldwide NPL mandates and opportunity identification. Through this group, both buyers and sellers of NPLs can receive consistent and seamless service across the world, integrated with country-specific knowledge and expertise.

International Team:

Michael McCreadie

+61 3 8603 3083
michael.mccreadie@au.pwc.com

Frank Janik

+ 66 8 1869 6522
frank.janik@th.pwc.com

Stuart King

+34 638 478618
stuart_patrick.king@es.pwc.com

Andrew Jenke

+44 7595 610365
andrew.jenke@uk.pwc.com

Bruno Guillermo Perri

+34 696 145792
bruno_guillermo.perri@es.pwc.com

David White

+60 122 871961
david.white@au.pwc.com

Hernan Magarinos

+1 646 4715095
hernan.magarinos@us.pwc.com

Nick Colman

+49 170 3335812
n.colman@de.pwc.com

Nicolas Malagamba Otegui

+34 696 353745
nicolas.m.otegui@es.pwc.com

Australia

Michael McCreadie

+61 3 8603 3083
michael.mccreadie@au.pwc.com

China

Brian Cheung

+86 10 6533 2228
brian.cheung@hk.pwc.com

Ted Osborn

+852 2289 2299
t.osborn@hk.pwc.com

India

Ashwani Puri

+91 124 462 0501
ashwani.puri@in.pwc.com

Neeraj Garg

+91 22 6669 1582
neeraj.garg@in.pwc.com

Indonesia

Joshua R. Wahyudi

+62 21 5289 0833
joshua.r.wahyudi@id.pwc.com

Japan

Shoichi Oka

+81 3 6266 5587
shoichi.oka@jp.pwc.com

Takehito Sasaki

+81 3 6266 5574
takehito.sasaki@jp.pwc.com

Korea

Hwa-Joo Bae

+82 2 709 0916
hwa-joo.bae@kr.pwc.com

Seung-Jin Oh

+82 2 3781 9687
seung-jin.oh@kr.pwc.com

Malaysia

San Peen Lim

+60 3 2173 1233
san.peen.lim@my.pwc.com

Chui Sum Lee

+60 3 2173 1388
chui.sum.lee@my.pwc.com

Philippines

Mary Jade T. Roxas-Divinagracia

+63 2 845 2728 ext.2070
jade.roxas@ph.pwc.com

Taiwan

Hui-erh Yuan

+886 2 2729 5210
hui-erh.yuan@tw.pwc.com

Jason Liu

+886 2 27295239
jason.liu@tw.pwc.com

Thailand and Vietnam

Frank Janik

+ 66 8 1869 6522
frank.janik@th.pwc.com