



BANK OF THAILAND

Navigating a Volatile and Challenging Economic Environment

Tongurai Limpiti

Deputy Governor, Bank of Thailand



Issues covered



Holistic Risk Theme

- Low and even negative interest rates
- Prolonged low growth
- Ever-changing landscape



How to cope with such dynamics?

- Nurturing roles of regulators



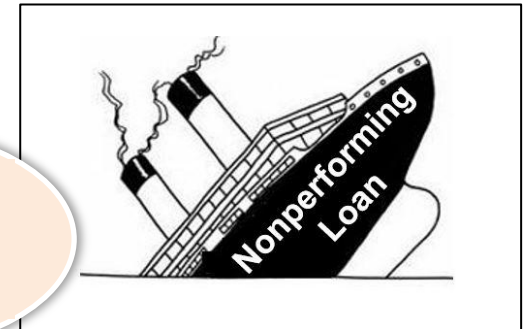
Holistic Risk View

Low interest rates coupled with low growth
in the course of ever-changing financial landscape



Low
Interest rates

Low
growth



Regulatory reform

Ever-changing
financial landscape

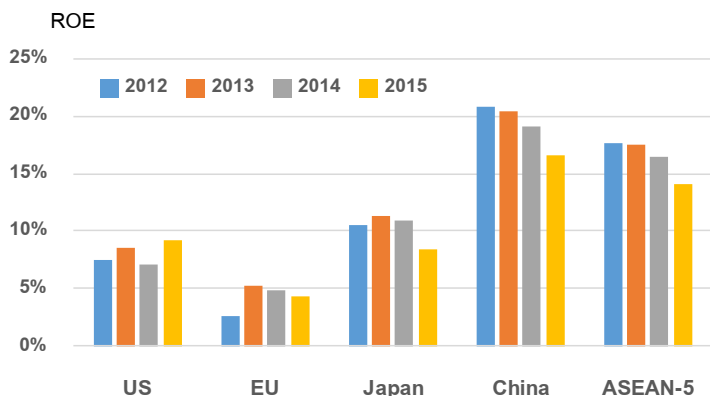


FinTech



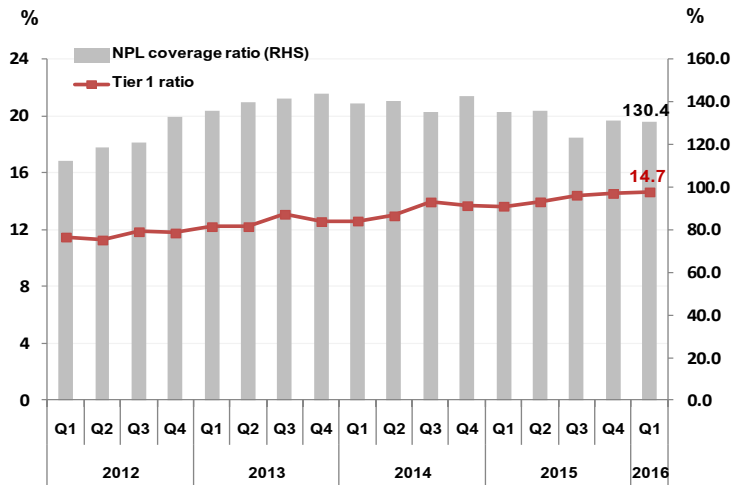
Low interest rate & Low growth: Not too worried in the Asian Context

Pressure on profitability of banking sectors worldwide



Source : Fitch Connect

Thai banking sector remains strong, with high levels of buffers



Source : Bank of Thailand

Credit ratings of large banks in ASEAN-5 reflect sound performance with “stable” outlooks since 2011

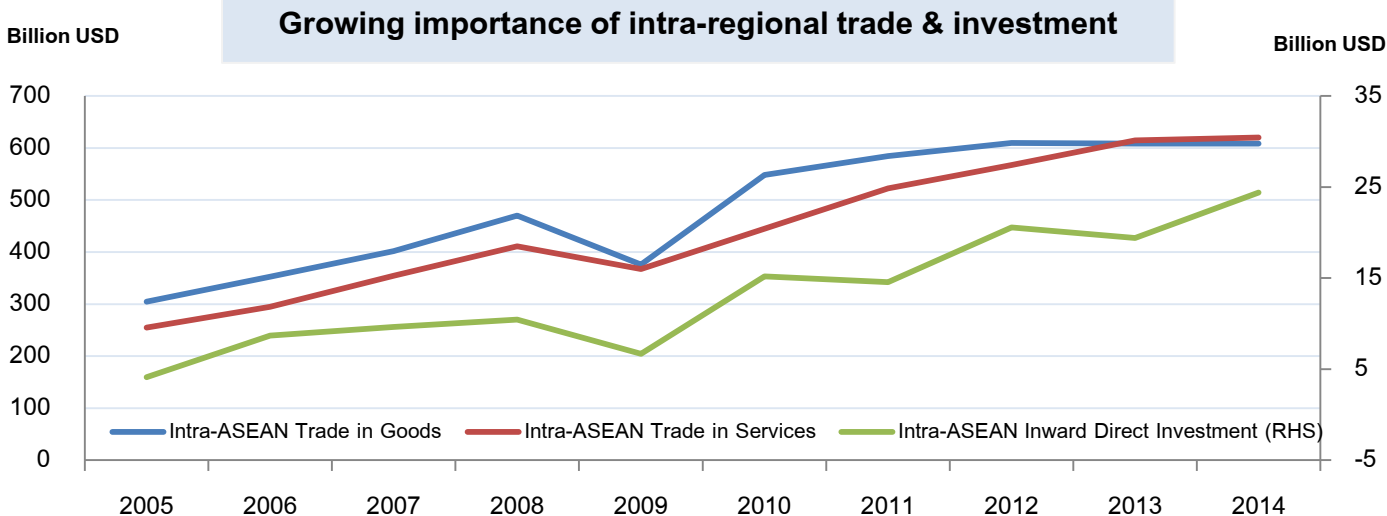
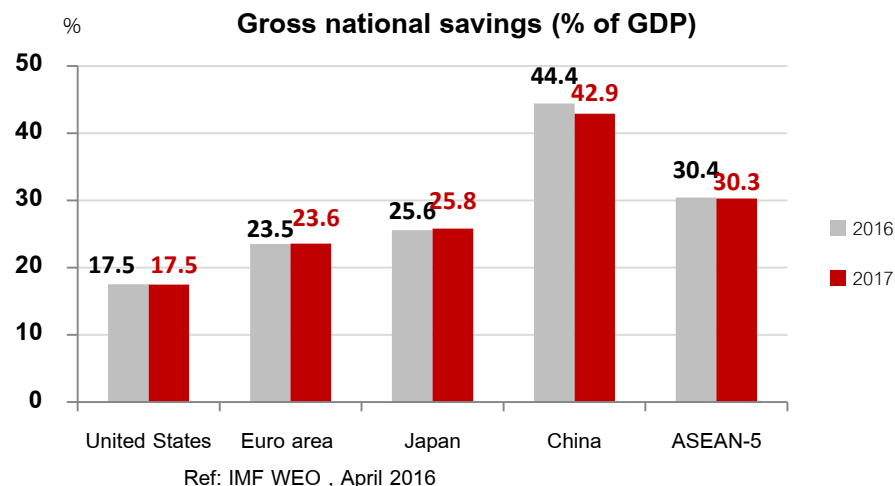
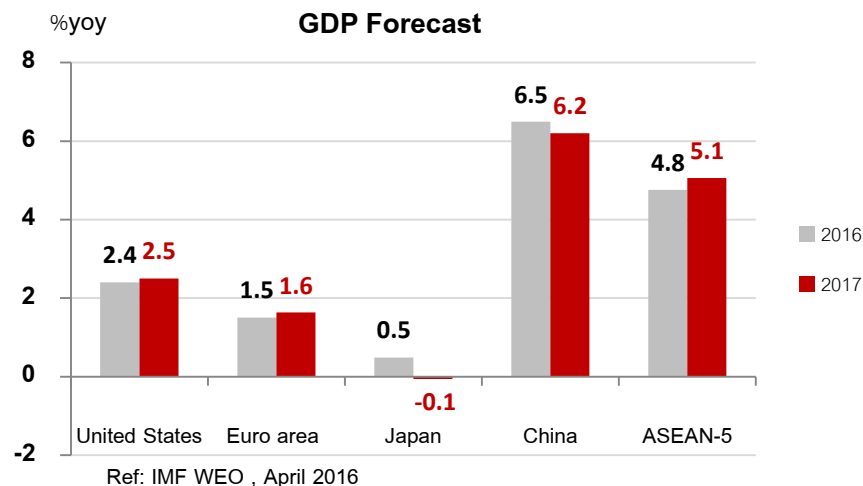
ASEAN-5	Top 3 Banks	Regulatory Capital Ratio (%)	Moody's Bank Credit Rating	Banking System Outlook
Singapore 	DBS Bank	n/a	aa3	Stable
	UOB	15.60	aa3	
	OCBC	16.80	aa3	
Malaysia 	Malayan Banking Bhd	17.74	a3	Stable
	Public Bank Bhd	15.99	a3	
	CIMB Bhd	15.44	baa2	
Indonesia 	Bank Rakyat	20.59	baa3	Stable
	Bank Mandiri	17.99	baa3	
	Bank Central Asia	19.03	baa3	
Thailand 	BBL	17.87	baa2	Stable
	KTB	14.85	ba1	
	SCB	17.30	baa2	
Philippines 	BDO Unibank Inc.	13.30	baa2	Stable
	Metropolitan Bank	17.75	baa2	
	Bank of Philippines Islands	13.59	baa2	

Source : Moody's, Fitch Connect

1. Regulatory capital ratio as of December 2015
2. Credit rating as of May 2016



Asia as the strongest growth engine with highest saving, compared to the rest of the world





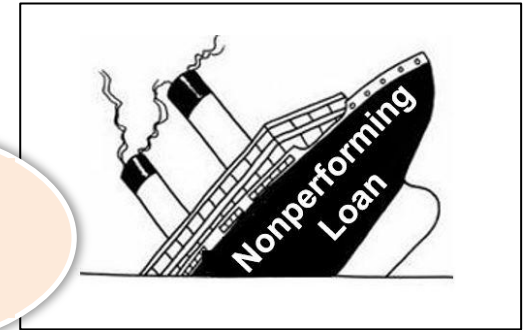
Holistic Risk View

Low interest rates coupled with low growth
in the course of ever-changing financial landscape



Low
Interest rates

Low
growth



Regulatory reform

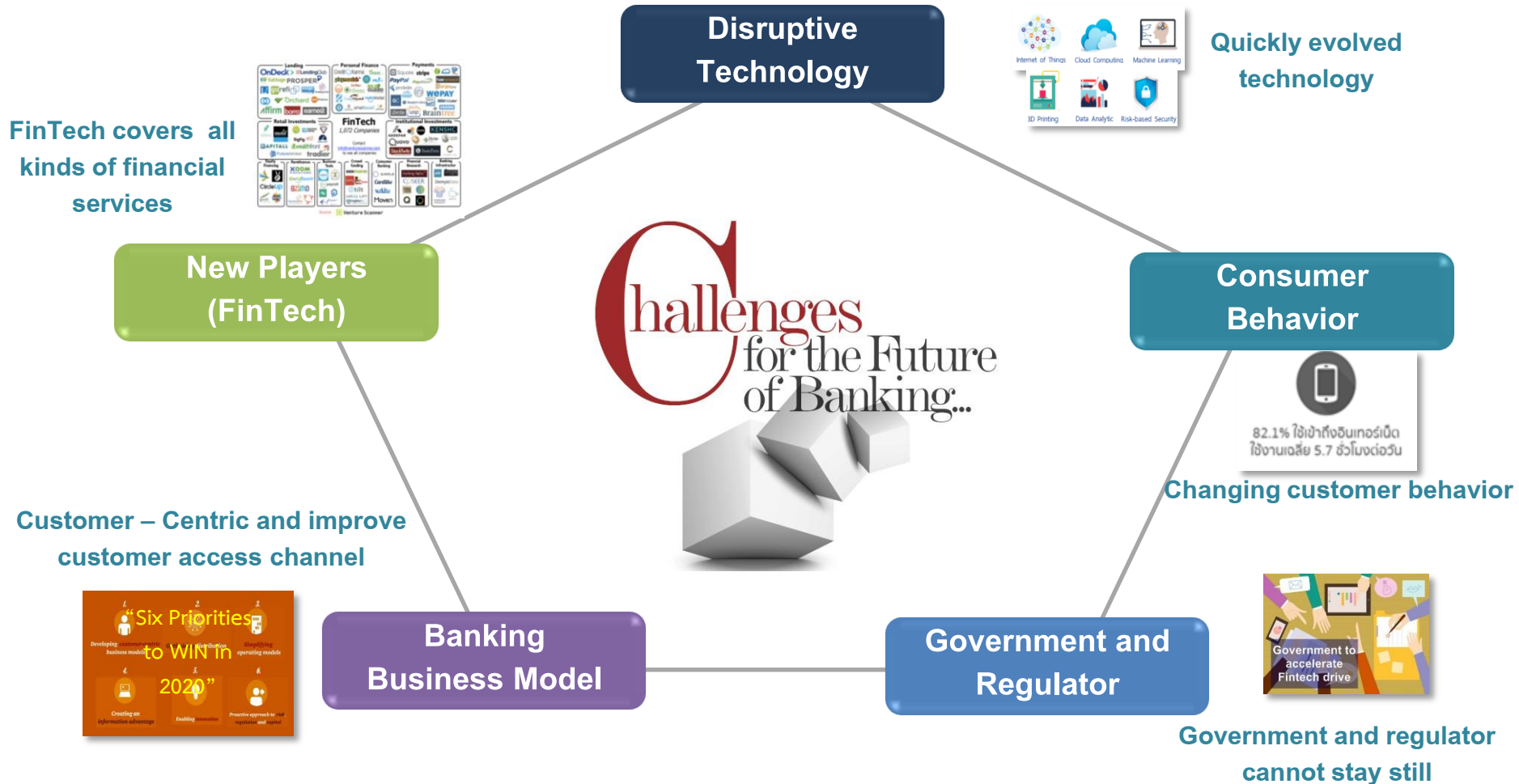
Ever-changing
financial landscape



FinTech

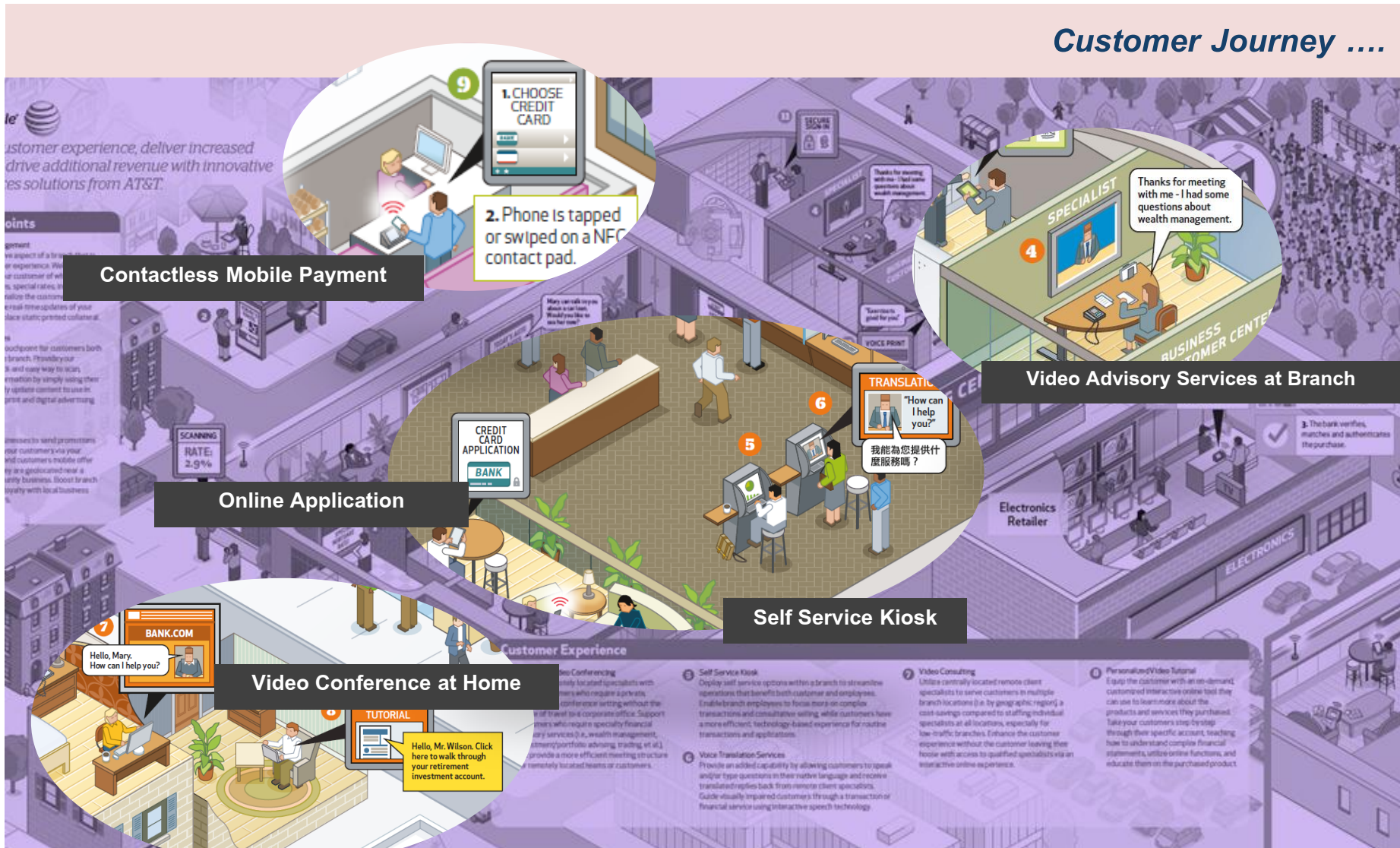


5 factors driving changes of financial landscape





Customer Journey





6 Priorities for Retail Banking Success

1



Developing customer-centric business model

2

Optimising distribution



3



Simplifying the business and operating model

4

Obtaining an information advantage



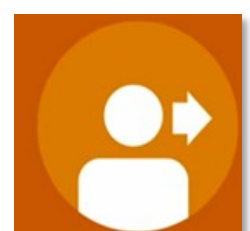
5



Enabling innovation, and the capabilities required to foster it

6

Proactively managing risk, regulations and capital





How to cope with such dynamics?

To bankers:

How to strategize your
business model?



WIN - WIN

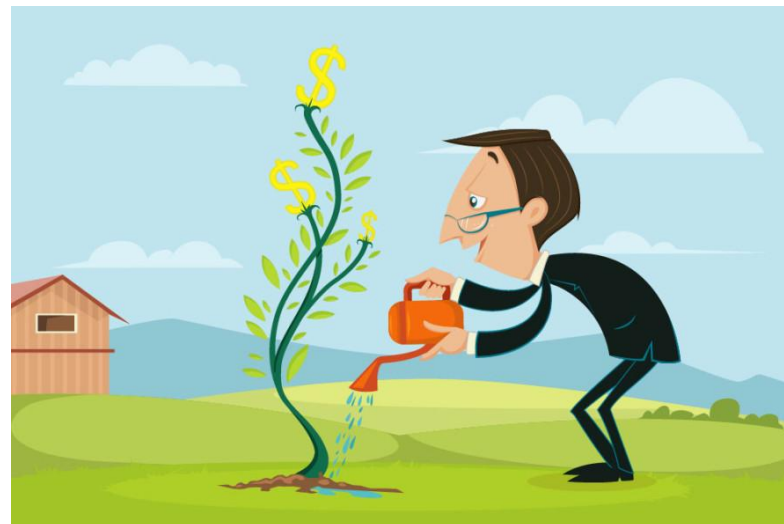


Collaboration

FinTech / Telco / Banks / New players

To regulators:

How to optimize the
enabling role?



Nurturing approach

Allow to grow and be innovative,
with close monitoring



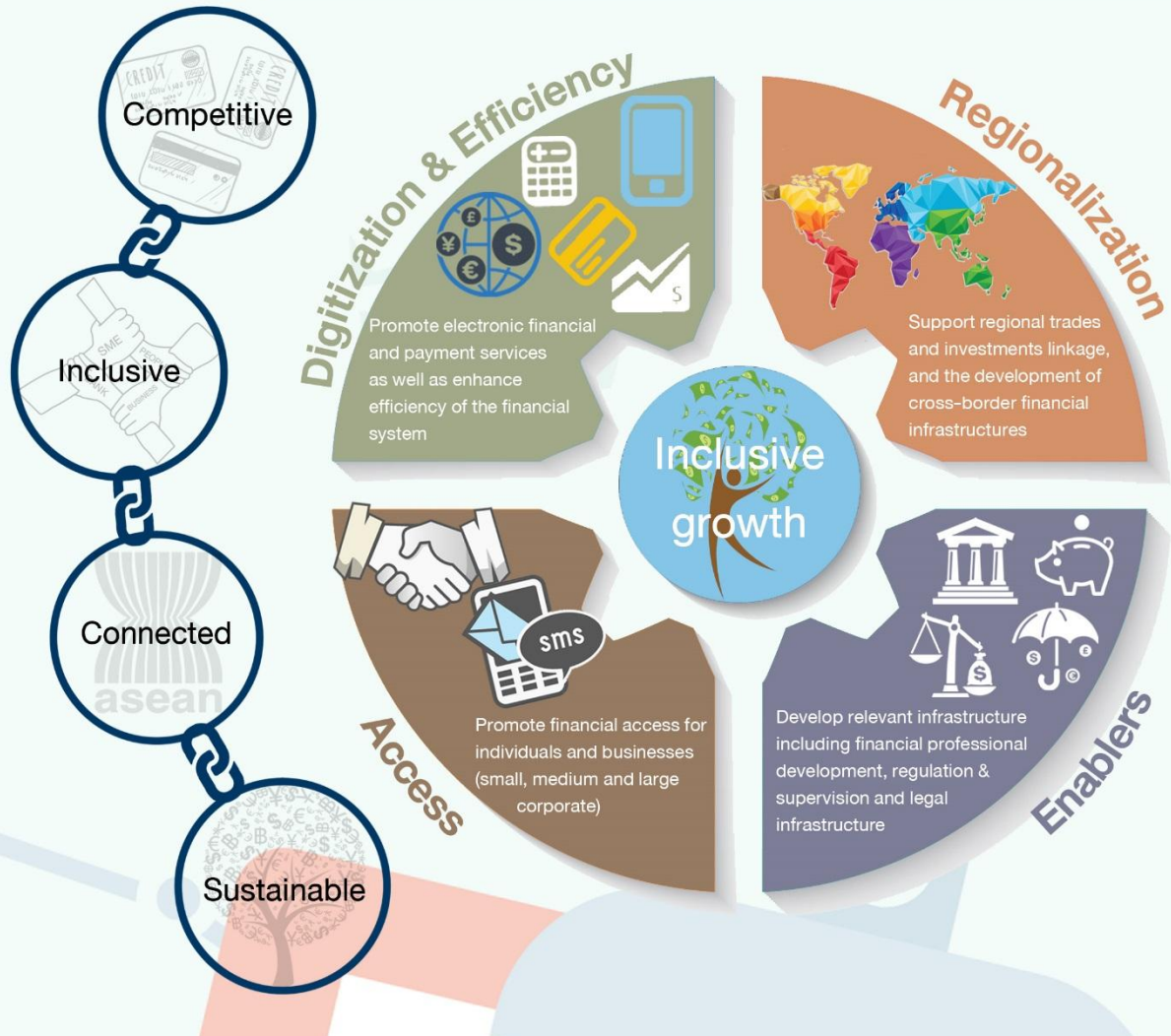
BANK OF THAILAND

Financial Sector Master Plan Phase III (2016-2020)



Vision

A competitive Thai financial sector which can support more diverse needs at fair and undistorted prices, promote regional trades and investments, with supervision to ensure macroeconomic and financial stability





National e-Payment Master Plan

Cost effective, Efficient, Secured

Goal: Create an integrated e-payment infrastructure for Thailand for funds transfer and payment for consumer, business, and government, with an integration of tax and social welfare disbursement system



Digital Government

❖ Provide services to corporate and individuals through digital channel

- Online Service Platforms
 - Information One Stop Service
 - Government Mobile Application
- Document Exchange System among governmental agencies (e-Document)



Digital Business

❖ Technology that supports Straight-Through Processing

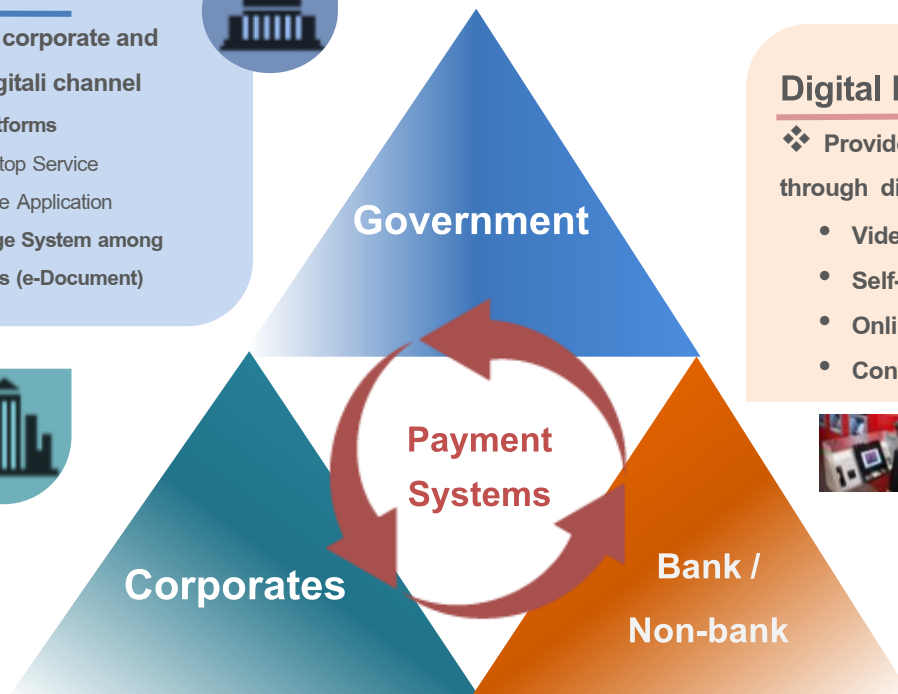
- e-Procurement
- e-Tracking
- e-Inventory/ e-Fulfillment
- e-Invoicing
- e-Payment/ EIPP
- e-Receipt/ e-Tax Invoice

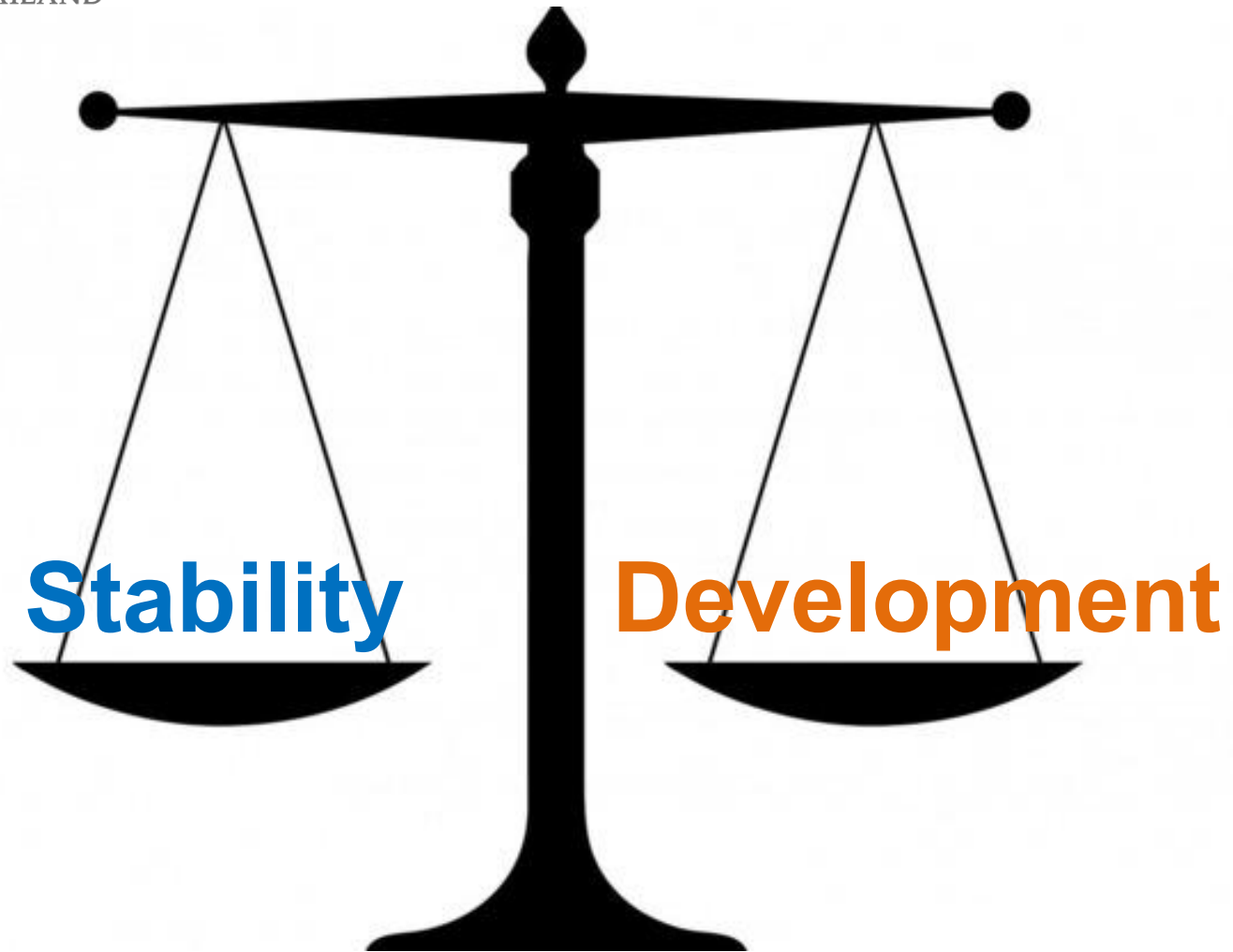


Digital Banking/ Payment

❖ Provide financial services Anywhere Anytime through digital banking or mobile banking/payment

- Video Advisory Services
- Self-Automated Terminal
- Online Banking Application
- Contactless Mobile Payment





Balance is not something you find.
It is something you *create*!



BANK OF THAILAND

A large, intricate, light blue mandala watermark is centered in the background of the slide. It features a complex geometric and floral design with multiple layers of patterns.

Thank you