

Anselmo Teng: China and Macao – continued financial industry growth

Address by Mr Anselmo Teng, Chairman of the Monetary Authority of Macao, at a banquet hosted by the Macao Financial Sector in Commemoration of the 62nd Anniversary of the People's Republic of China and the 12th Anniversary of the Establishment of the Macao Special Administrative Region, Macao, 6 December 2011.

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The Honourable Mr. Chui Sai On, Chief Executive of the MSAR,

The Honourable Mr. Ho Hau Wah, Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference,

The Honourable Ms. Gao Yan, Deputy Director, Liaison Office of the Central People's Government,

The Honourable Mr. Hu Zhengue, Special Envoy, Office of the Commissioner of the Ministry of Foreign Affairs,

The Honourable Mr. Ye Yixin, Chairman of the Macao Association of Banks,

Honourable Guests,

Dear Friends of the Financial Sector,

Good Evening!

First of all, I would like to thank the Standing Committee for the invitation. With great pleasure and excitement, I participate in this party in commemorating the 62nd Anniversary of the People's Republic of China and the 12th Anniversary of the Establishment of the Macao Special Administrative Region.

The financial sector of Macao has weathered the tests arising from international financial market crises since the return of Macao to its Motherland. Although the challenges have been overcome thus far, upheavals are still prevalent in the international financial markets. There are uncertainties. It is worth our while to advise you, ladies and gentlemen that, according to relevant financial data, the Macao financial sector has been maintaining its stability and viability. This is in fact the result of the coherent spirit of our practitioners when they work shoulder to shoulder in the endeavour of self-enhancement.

As per the end of October, aggregate assets of the Macao banking sector amounted to MOP637.7 billion, total deposits were valued at MOP408.1 billion, loans stood at MOP313.5 billion, both registered remarkable growth year-on-year. Our practitioners have adopted a prudent attitude in business operation as usual; capital adequacy ratio reached at 14.3% in the 3rd quarter while non-performing loan ratio was only 0.34%. In positive pursuit of developing more financial services by our practitioners, the banking sector was able to score an aggregate profit of MOP4.17 billion for the first three quarters, which was again a positive year-on-year growth. At the moment, the banks operating in Macao have good quality assets, ample liquidity, adequate capital and fine profit-making capability.

In our insurance business, the total premium receipts for the first three quarters amounted to MOP3.2 billion, which was a 13.5% increase year-on-year. The overall operation of the insurance industry has been steady, the aggregate asset value, including value of assets guaranteeing technical reserves has registered marked increase. It reflects the stable financial status of the industry, which carries much weight in sustainable development.

In tandem with the perfection and enhancement of the financial industry, it carries more weight in the overall GDP, reaching 8.5%. The continued growth of our financial industry will further promote appropriate diversification of the economy.

In mid-October, AMCM organized a delegation of the financial sector to visit Beijing and Shanghai. Making use of this opportunity, I am pleased to advise our financial practitioners that initial result has been achieved.

At the moment, this Authority is following up the matter closely and discusses with the relevant departments with a view to realizing the widening of the scope of RMB business and seeking more investment channels for the MSAR fiscal reserves. Simultaneously, in promoting Macao to be the RMB settlement platform for trade between the Mainland and Portuguese speaking countries, preparatory work has been rolled out with the policy support of the Central Government.

Under the auspices of the Central Government and relevant departments and the direction and support of the Liaison Office and the MSAR Government, we believe all policies and arrangements beneficial to the overall economic development of the MSAR will be realized. The financial sector will continue to serve its pivotal function in servicing the economy and promote overall economic growth. As the regulator, we shall not only continue to maintain the order and normal functioning of the market, and will also support, as usual, our practitioners in their development and uphold the lawful rights of our financial consumers.

In commemorating the anniversary of our Motherland and the MSAR, we gather together delightfully. Before I end the speech, let me express, on behalf of the Board of Directors of the Monetary Authority of Macao, our heartfelt wishes for the prosperity and strength of our Motherland and happiness of all her people, the prosperity and stability of the MSAR, the continued growth of our financial industry in a steady manner, your health and plain sailing at work.

Thank you.