

DATA DISPATCH ASIA-PACIFIC

Asia-Pacific bank capital raising slumps as rate uncertainty weighs on market

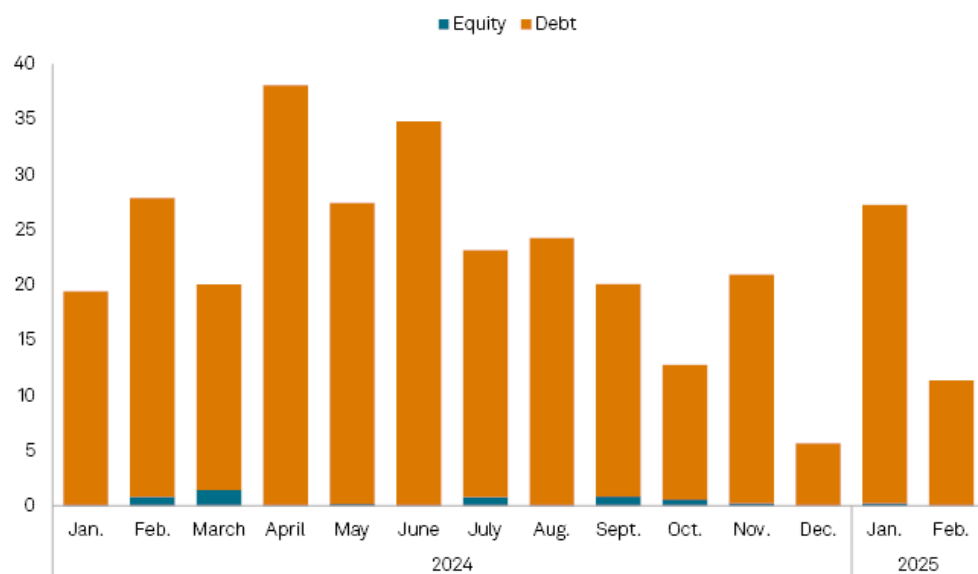
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Market Intelligence

Banks in the Asia-Pacific region reduced capital raising in February amid uncertainty over global interest rates.

Lenders raised a total of US\$11.32 billion through debt during the month, down 58.1% year over year, according to S&P Global Market Intelligence data compiled on a best-effort basis. The figure also marked the same 58.1% decline from January, when debt issuance hit a seven-month high.

Capital raises by Asia-Pacific banks (\$B)



Data compiled March 20, 2025.
Aggregate capital offerings value represents aggregate transaction value of all the completed deals whose values have been disclosed publicly.
Convertible debt is classified as debt in this analysis and may not be directly comparable to previous analyses.
Data has been compiled on a best-efforts basis.
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"The drastic plunge in bank debt issuance [in Asia-Pacific] this February wasn't coincidental — it reflected deep-rooted anxiety driven by ongoing global inflation pressures and tense negotiation dynamics," said Steve Alain Lawrence, chief investment officer at Balfour Capital Group, in a March 25 email interview.

Several major banks in the region held back on debt issuance because "inflation remains stubbornly high, directly impacting borrowing costs and investor confidence," Lawrence said.

The broader caution stems from the US economic outlook and monetary policy, as the US Federal Reserve's rate decisions "directly ripple across global markets," Lawrence said, noting that Asia-Pacific banks are becoming increasingly cautious and are waiting for clearer signals from US policymakers.

On March 20, the Fed held its benchmark interest rate steady at 4.5% for a second consecutive meeting, citing slower growth and higher core inflation expectations for year-end. The People's Bank of China also kept rates unchanged the same day. In contrast, the Reserve Bank of Australia cut its benchmark rate by 25 basis points to 4.1% in February, its first move since November 2020.

Despite the slowdown, banks in the region are pursuing selective fundraising through targeted issuances and strategic deals, Lawrence said. Institutions in Singapore, Australia and India may be preparing to tap the market.

[China Minsheng Banking Corp. Ltd.](#) led February's regional debt issuance with a US\$2.76 billion nonconvertible bond. Japan's [Mizuho Financial Group Inc.](#)

followed with three deals totaling US\$1.90 billion. [United Overseas Bank Ltd. Sydney Branch](#)'s Australian unit raised US\$1.28 billion denominated in Australian dollars, according to S&P Global Market Intelligence.

Asia-Pacific banks capital raises

Issuer name	Headquarters	Transaction type	Funding type	Transaction value (\$M)	Reported currency of issuance	Completion date
Debt						
China Minsheng Banking Corp. Ltd.	Mainland China	Nonconvertible debt	Bond or note	2,756.5	Chinese yuan	02/20/25
United Overseas Bank Ltd. Sydney Branch	Australia	Nonconvertible debt	Bond or note	1,275.1	Australian dollar	02/21/25
Sumitomo Mitsui Financial Group Inc.	Japan	Nonconvertible debt	Bond or note	1,250.0	US dollar	02/18/25
Commonwealth Bank of Australia	Australia	Nonconvertible debt	Bond or note	1,045.2	Euro	02/21/25
Dbs Bank Ltd. Australia Branch	Australia	Nonconvertible debt	Bond or note	955.1	Australian dollar	02/17/25
Mizuho Financial Group Inc.	Japan	Nonconvertible debt	Bond or note	900.0	US dollar	02/06/25
Mizuho Financial Group Inc.	Japan	Nonconvertible debt	Bond or note	700.0	US dollar	02/06/25
Asian Development Bank	Philippines	Nonconvertible debt	Bond or note	549.1	Turkish lira	02/27/25
Sumitomo Mitsui Banking Corp.	Japan	Nonconvertible debt	Bond or note	518.8	Euro	02/06/25
Mizuho Financial Group Inc.	Japan	Nonconvertible debt	Bond or note	300.0	US dollar	02/06/25
Westpac Banking Corp.	Australia	Nonconvertible debt	Bond or note	251.2	Australian dollar	02/10/25
Asian Development Bank	Philippines	Nonconvertible debt	Bond or note	187.3	Turkish lira	02/19/25
Bank of Commerce	Philippines	Nonconvertible debt	Bond or note	172.1	Philippine peso	02/19/25
ANZ Group Holdings Ltd.	Australia	Nonconvertible debt	Bond or note	128.6	Hong Kong dollar	02/19/25
ANZ Group Holdings Ltd.	Australia	Nonconvertible debt	Bond or note	126.2	Pound sterling	02/18/25
BNPP SA (Taiwan branch)	Taiwan	Nonconvertible debt	Bond or note	50.4	New Taiwan dollar	02/13/25
Bank of China (Hong Kong) Ltd.	Hong Kong	Nonconvertible debt	Bond or note	40.0	US dollar	02/28/25
Chang Hwa Commercial Bank Ltd.	Taiwan	Nonconvertible debt	Bond or note	30.5	New Taiwan dollar	02/18/25
Bank of China (Hong Kong) Ltd.	Hong Kong	Nonconvertible debt	Bond or note	30.0	US dollar	02/26/25
Australia and New Zealand Banking Group Ltd.	Australia	Nonconvertible debt	Bond or note	20.0	US dollar	02/13/25
Bank of Maharashtra	India	Nonconvertible debt	Bond or note	18.5	Indian rupee	02/12/25
Bank of China (Hong Kong) Ltd.	Hong Kong	Nonconvertible debt	Bond or note	13.6	US dollar	02/27/25
PT Bank Negara Indonesia (Persero) Tbk	Indonesia	Nonconvertible debt	Bond or note	0.9	Indonesian rupiah	02/07/25

Data compiled March 20, 2025.

Data represents all equity and debt issuances completed by S&P Global Market Intelligence-covered banks headquartered in Asia-Pacific in February 2025.

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Five of the top 10 deals were completed by Japanese megabanks Mizuho Financial Group and [Sumitomo Mitsui Financial Group Inc.](#), while three came from Australian lenders, the data show.

[Asian Development Bank](#), based in the Philippines, completed two Turkish lira-denominated deals totaling about US\$736.5 million. [PT Bank Negara Indonesia \(Persero\) Tbk](#) raised US\$860,000 through a debt issuance, according to the data.

Zero equity

Banks in the region raised no equity capital in February, the third time in four months with zero equity issuance.

The absence reflects caution amid ongoing credit market uncertainty, as lenders remain wary of potential contagion from missteps in an unpredictable financial environment, Lawrence said.

Still, the outlook for bank equity offerings appears more favorable in select markets, particularly Australia and China, he said.

As of March 26, US\$1 was equivalent to 7.26 Chinese yuan.

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