

Boring banks a safe haven in a scary world



A woman walks past an HSBC bank branch in Rio de Janeiro, Brazil.

REUTERS, London

When fears of a Greek default are mounting, stock markets are jittery at multi-year highs, and the world's biggest economy is preparing to hike interest rates, the idea of taking refuge in bank stocks might appear to be a hard sell.

Yet that's exactly what some investors and brokers are recommending, on the basis that the sector is cheap, has been scrubbed cleaner post-crisis and may be able to pass on higher rate costs to clients in an improving economy.

"With some of the classic safe havens like precious metals and less risky stocks providing little protection, we believe investors should consider some less obvious places," BlackRock Global Chief Investment Strategist Russ Koesterich told clients last week.

"One is the financial

sector, with banks a potential beneficiary of higher rates."

It would not be the first time investors have picked up banks again since the financial crisis, though eye-popping fines have left some with burnt fingers.

But Citi research suggests that European banks' annual litigation provisions are expected to fall by more than half this year.

And meanwhile valuations suggest banks are the only bargains left.

The banking sector is still cheap relative to others: global banks trade on a price-to-earnings ratio of around 12 and a price-to-book ratio of around 1, one of the lowest-rated sectors.

Big European names like Deutsche Bank, Credit Suisse and HSBC are even cheaper.

There's also a lot of optimism among investors

about the arrival of new management at Deutsche Bank, Credit Suisse and Standard Chartered. Banks have regularly been pitched as restructuring plays; the hope this time is for more aggressive changes, whether on capital or business lines.

There are caveats, of course. Atlantic Equities analyst Chris Wheeler said a rise in rates was only good if it was gradual and if income from loan-books got more of an upward jump than payouts to depositors. This would tend to benefit strong retail or corporate lenders rather than pure investment banks.

And while trading desks may cheer volatility as it drives volumes, parts of the fixed-income business may be squeezed.

"Higher volatility should support higher sales and trading revenues and rising bond yields are generally

good for banks, especially ones that have a low loan-to-deposit ratio," said Kinner Lakhani, analyst at Citi.

"But not all banks will be affected in the same way...credit trading may also be negatively impacted."

Lenders themselves appear relatively sanguine. Bank of America Chief Financial Officer Bruce Thompson told an investor conference that rising rates were "neutral to actually a positive" but said that fixed-income credit was an area that tended to "not be as robust" in a rising rate environment.

Analysis by Barclays on a sum-of-the-parts basis, or what each bank's business line is worth on a standalone view, suggests that the sector's cheapness can be justified - especially for big banks.

"A lot of (post-crisis) regulatory effort has gone in to making bigger banks safer...The net result is to make it harder than before for larger banks to generate the same RoEs (returns on equity) versus smaller, less discomfited peers," Barclays analysts wrote in a note to clients on Friday.

The more boring the bank the better, one London-based hedge-fund manager said, singling out Lloyds, ING and KBC as safe prospects for more shareholder payouts and a more defensive business model.

"Banks are turning into utilities and that's where they have got to go: Boring, dull, capital return."



Shadab Khan, country manager of Coca-Cola Bangladesh, poses with the volunteers of Jaago Foundation, at a programme to mark the World Environment Day. Nody Rashid, senior manager of the communication department at Jaago Foundation, was also present.

China govt's deals help Alibaba's cloud ambitions

REUTERS, Shanghai/Beijing

E-commerce giant Alibaba Group Holding Ltd is an underdog in the global cloud computing industry, but it has one thing going for it: it's Chinese.

Alibaba this week scored a minor deal with China's northeastern port city of Dalian to build a cloud computing centre and provide online government services such as bill payment.

The pact is a small part of a growing portfolio of similar cloud services tie-ups between Alibaba and government bodies around China and comes against a backdrop of Beijing's deepening paranoia about foreign technology.

The domestic alliances will help Alibaba's cloud unit Aliyun, literally "Ali Cloud", build scale and gain experience before any global campaign to challenge market leaders Amazon.com Inc, Microsoft Corp and Google Inc.

"Basically, they are following the political trends and they're grabbing the business opportunities that result," said James McGregor, chairman for Greater China at U.S. communications consultancy APCO Worldwide.

"China wants control of its infor-

mation, of its data, of its news, of its technology food chain, and so there are huge opportunities."

The sector has boomed as it has become cheaper for companies to store data on remote servers, or in the cloud, rather than maintaining servers in-house.

Global cloud IT infrastructure spending is expected to grow 21 percent to \$32 billion in 2015 from a year earlier, according to U.S. market researcher IDC, and rise to \$52 billion by 2019.

For the time being, Aliyun is small. It accounted for just 1 percent of Alibaba's overall revenue for the year ended March 31. But it says in China it has the biggest market share in cloud computing.

Building up expertise to become a global player requires a great deal of money, time and resources. For now, Aliyun is working on expanding market share at home to profit from China's sheer scale and an unwelcoming environment for foreign cloud service providers.

Alibaba has forged cloud agreements with more than a dozen Chinese provinces and cities including Hainan, Guangdong, Tianjin and Shanghai.

It also works with China Meteorological Administration,

China Central Government Procurement Center and the state railway service center.

The deals range from developing cloud storage solutions to helping the government of the southern province of Guizhou gather and crunch data to optimise its traffic lights.

Aliyun in April announced a deal with state oil and gas giant China Petroleum & Chemical Corp, known as Sinopec, to create a cloud system to track its petrochemical production chain and emissions.

Cheng Jing, an Aliyun director who deals with government agencies, said his primary consideration was the bottom line.

He said the company could be a national enterprise and make contributions to China's development, citing Jack Ma, Alibaba's charismatic founder and executive chairman.

"First, we have to be sure that our services can make money," he said. "If these services can also promote Ali's relationship with the government then that's a good thing."

Alibaba is doing the right thing, said Jimmie Chang, a Beijing-based analyst at Gartner.

"Partnering with government will help Alibaba become more valuable in China."

Government of the People's Republic of Bangladesh

Ministry of Local Government, Rural Development & Cooperatives
Local Government Division
Urban Primary Health Care Services Delivery Project
Project Management Unit (PMU)
5, Phoenix Road, Nagar Bhaban, 6th Floor, Fulbaria, Dhaka
www.uphpc.gov.bd

Memo No. UPHCSDP/PMU/COR/2013/IC-1/301

Date: 17.06.2015

Request for Expression of Interest for Environment Specialist (National) Service Package No. S13

- The Government of the People's Republic of Bangladesh has received a concessional loan from the Asian Development Bank (ADB), Loan No. 2878 BAN (SF), and grants from Swedish International Development Agency (SIDA) and United Nations Population Fund (UNFPA) towards the cost of the Urban Primary Health Care Services Delivery Project (UPHCSDP), under the Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives. LGD is the Executing Agency (EA) for the Project, and it intends to apply a portion of proceeds to engage individual consultants to provide consulting services.
- The Environment Specialist** (National Consultant) will be recruited on individual basis. The main objective of the consulting service (the services) is to provide technical support in project management in the areas of implementing project's environmental assessment and review framework during the construction and operation of Health facilities, monitor the compliance of LGD with environmental provisions according to the loan agreement and develop guidelines for medical waste management towards attaining the UPHCSDP objective. The Environment Specialist will work under the guidance of Project Director (PUM), Urban Primary Health Care Services Delivery Project (UPHCSDP). The consulting services will require about **6 (six) person-months** (intermittent) and is expected to start from **1 September 2015**. The location of consulting assignment will be Dhaka, Bangladesh with domestic travels to selected locations as required.
- The Environment Specialist will perform the following specific tasks:
 - Prepare the Initial Environment Examination (IEE), including the Environmental Monitoring Plan (EMP), and prepare for public disclosure semi-annual monitoring reports that described progress of implementation and compliance issues and corrective actions, if any.
 - Develop for city corporations and municipalities a medical waste management (MWM) plan, which will be endorsed by the Department of Environment (DOE) and approved by the LGD. The plan should entail guidelines for environmentally sound treatment and final disposal of hazardous medical waste at UPHCP health facilities.
 - Review waste management rules and instruction in the clinics and prepare training materials for the health care personnel on medical waste management. Provide intermittent training to health staff in medical waste management.
 - Assist the PMU/LGD in checking the provisions of civil works contracts to ensure that environmental safeguards and issues are being incorporated. Help ensure that mitigation measures related to the environment are addressed in all civil works subprojects. Prepare training modules and organize workshops for each of two groups covering corporation and municipality at city and district level LGED officers.
 - Identify budget needs to strengthen UPHCSDP/LGD capacity improvement program.
 - Any other related task assigned by the Project Director/Deputy Project Directors.
- Education Qualification:** Environmental Specialist shall have appropriate tertiary qualifications in environmental science or related discipline, specializing in environmental management issue especially in the health or urban sector.
- Experience:** At least 10 years experience in assessment of environmental impacts and management of environmental safeguard issues in urban and municipal settings preferred. Experience and familiarity with ADB or World Bank environmental safeguards requirements preferred. Strong communication skill and proficiency in computer applications; excellent English and Bangla both in written and spoken are required.
- A detailed Terms of References (TOR) can be obtained from the office of the undersigned during office hours or can be downloaded from UPHCSDP website (www.uphpc.gov.bd) and CPTU website (www.cptu.gov.bd). The recruitment notice is also available at ADB website (<http://www.adb.org/site/business-opportunities/operational-procurement/consulting>).
- The UPHCSDP, on behalf of LGD, now invites EOIs from national professionals/specialist to indicate their interest in providing the required services. EOI must include detailed bio-data in ADB's CV format. Total budgetary provision for this position is USD 24,250 for 6 person months. "EOI" template and "CV" format can be obtained by contacting the Project Director, UPHCSDP or downloading from the ADB website (<http://www.adb.org/sites/default/files/page/83267/eoi-individual-01dec10.doc>) and CV format at <http://www.adb.org/sites/default/files/page/83267/cv-format-new-or-replacement-june08.doc>. The EOI along with the detailed CV must be submitted electronically through ADB Consultant Management Services (CMS) at <http://cms.adb.org> by 11:59pm Manila Time on 7 July 2015. Additional 5 (five) copies of EOI may be submitted to the undersigned at the address indicated below on or before 7 July 2015 by 5:00pm Bangladesh local time. However, electronic submission in ADB CMS is mandatory and hard copies without electronic submission cannot be considered. The consulting services contract award and signing will be subject to ADB's approval.
- A consultant will be selected in accordance with the procedures set out in the ADB Guidelines on the use of Consultants by the Asian Development Bank and its Borrowers. The EOIs will be evaluated based on the complete information provided in the detailed CV of the expert.
- The EOI from the consultant will be rejected if she/he has been debarred by GoB or the ADB. The EA reserves the right to accept or reject any or all EOI without assigning any reason thereof.

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GD-2176

Government of the People's Republic of Bangladesh

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Memo No. UPHCSDP/PMU/COR/2013/IC-1(part-1)/300

Date: 17.06.2015

Request for Expression of Interest For Training Management Specialist (National), Service Package No. S10

- The Government of the People's Republic of Bangladesh has received a loan from the Asian Development Bank ("ADB"), Loan No. 2878 BAN (SF), and grants from other co-financing agencies towards the cost of the Urban Primary Health Care Services Delivery Project (UPHCSDP), under the Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives. LGD is the Executing Agency (EA) for the Project, and it intends to apply a portion of proceeds to engage individual consultants to provide consulting services.
- The Training Management Specialist (National Consultant)** will be recruited on individual basis. The main objective of the consulting service (the services) is to assist PMU in carrying out training needs assessment and implementation of training program for different stake holders including the Partner NGOs to enhance their performance in health care delivery under the project. The consulting services will require about **18 national person-months** (intermittent) and is expected to start from **1 September 2015**. The location of consulting assignment will be Dhaka, Bangladesh with domestic travels to selected locations as required.
- Experience, skills and educational qualification:** The specialist should have at least a Masters degree in a related subject, with at least ten years experience in planning, organizing and implementing training programs (including e-learning or other non-traditional learning methodologies) for organizations with multiple subordinate offices at various levels. Experience with guidelines and practices of development financing institutions like ADB and World Bank for contracting out training programs to appropriate institutions will be preferred.
- Outline of Terms of References:** The Training Management Specialist will provide management and technical support to the PMU in development and implementation of training/capacity development program targeting various stake holders of Urban Primary Health Care Services Delivery Project:
 - Support the Training Coordination Unit (TCU) established within PMU in preparing the design and conduct of a training needs assessment (TNA) for LGD, urban local bodies, and PA-NGOs;
 - Assist TCU in designing a comprehensive master training plan (including e-learning and on-site training) for various target training beneficiaries based on the findings of the prior TNA;
 - Support TCU in managing the implementation of the project's capacity building program including identification of training participants, selection of trainers/resource persons, coordination with training institutes/universities, and preparing training reports; and
 - Any other related task assigned by the Project Director/Deputy Project Directors.
- A detailed Terms of References (TOR) can be obtained from the office of the undersigned during office hours or can be downloaded from UPHCSDP website (www.uphpc.gov.bd) and CPTU website (www.cptu.gov.bd). The recruitment notice is also available at ADB website (<http://www.adb.org/site/business-opportunities/operational-procurement/consulting>).
- The UPHCSDP, on behalf of LGD, now invites EOIs from national professionals/specialist to indicate their interest in providing the required services. EOI must include detailed bio-data in ADB's CV format. Total budgetary provision for this position is **USD 80,000** for 18 person months. "EOI" template and "CV" format can be obtained by contacting the Project Director, UPHCSDP or downloading from the ADB website (<http://www.adb.org/sites/default/files/page/83267/eoi-individual-01dec10.doc>) and CV format at <http://www.adb.org/sites/default/files/page/83267/cv-format-new-or-replacement-june08.doc>. The EOI along with the detailed CV must be submitted electronically through ADB Consultant Management Services (CMS) at <http://cms.adb.org> by 11:59pm Manila time on 7 July 2015. Additional 5 (five) copies of EOI may be submitted to the undersigned at the address indicated below on or before 7 July 2015 by 5:00pm Bangladesh local time. However, electronic submission in ADB CMS is mandatory and hard copies without electronic submission cannot be considered. The consulting services contract award and signing will be subject to ADB's approval.
- A consultant will be selected in accordance with the procedures set out in the ADB Guidelines on the use of consultants by the Asian Development Bank and its Borrowers. The EOIs will be evaluated based on the complete information provided in the detailed CV of the expert.
- The EOI from the consultant will be rejected if she/he has been debarred by GoB or the ADB. The EA reserves the right to accept or reject any or all EOI without assigning any reason thereof.

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