



WELCOME MESSAGE FROM CHAIRPERSON OF LAO BANKERS' ASSOCIATION



**MADAME SAYSAMONE
CHANTHACHACK**

Dear Friends And Colleagues,

Lao Bankers association (LBA) is honoured to host the 23rd ASEAN Banking Conference and 51st ASEAN Banking Council Meeting from 6th to 8th December 2023 at Landmark Mekong Riverview Hotel, Vientiane Capital, Lao PDR. On behalf of LBA and its Board, it gives me great pleasure to invite all our honoured guests and members to this annual landmark event and the Conference. It is indeed an inordinate privileged for Lao PDR to host this esteemed Conference for the first time in its history.

This year's event takes place in the context of growing uncertainties and challenging times, especially on global trade repositioning and de-risking, geopolitical tensions and issues surrounding climate change. I am however sanguine and optimistic that ASEAN as an economic bloc will rise above these challenges as we are blessed with vibrant intra-ASEAN growth, diversion of trade supply chain to this region and its favourable demographics as well as our growing ASEAN digital economy, which is expected to triple to some USD1 trillion by 2030 from recent expert studies.

This Conference and Council Meeting will be an excellent opportunity to reconnect with senior leaders of banks in the ASEAN region as well as strengthening the collaboration and sharing within National Banking Associations and Member Banks. We trust that our ASEAN banks will exchange best practices as well as progressively build up financial and social infrastructure conducive for enhancing financial inclusion, innovation and the growth of businesses in this digital eco-system in the region.

I am pleased to also announce that we have secured His Excellency Bounleua Sinxayvoravong, Governor, Bank of the Lao PDR and His Excellency Dr Kao Kim Hourn, Secretary General of ASEAN, to grace the occasion and deliver their keynote speech and address, respectively.

In addition to the main activities of the Conference and Council Meetings, we have also designed side activities for delegates to experience the rich and unique Laotian culture, local cuisines, visit historical and bucket list sites which have been much talk about Lao PDR.

We believe this year's event will continue to strengthen cooperation and the exchange of experiences and ideas amongst ASEAN banking leaders and subject matter experts in this integrated digital world. LBA and me looks forward to welcoming you in person to attend the Conference and Meeting this December in Vientiane Capital, Lao PDR. 🇸🇰

Madame Saysamone Chanthachack
Chairperson, Lao Bankers' Association

WELCOME MESSAGE FROM CHAIRPERSON OF ASEAN BANKERS ASSOCIATION, DAW KHIN SAW OO



DAW KHIN SAW OO

Dear Friends And Colleagues,

On behalf of the ASEAN Bankers Association (ABA), I extend an earnest welcome to all our friends and colleagues to the coming 23rd ASEAN Banking Conference and the 51st ASEAN Banking Council Meeting. This capstone event in our ASEAN Banking calendar will be hosted by Lao Bankers' Association (LBA) from the 6th to 8th December 2023, at the Landmark Mekong Riverview Hotel, Vientiane Capital, Lao PDR.

The Organising Committee at LBA has been working tirelessly to assemble subject matter experts and thought leaders to deliberate, provide insights and leadership on the highly relevant topics in the new normal economic settings, banking industry and regulatory environment as well as particularly in the ASEAN region. I commend Lao Bankers' Association (LBA) on selecting this year's theme **"Digitalisation and Sustainable Growth in Banking Sector of ASEAN: Opportunities and Challenges"**. This is timely in the line of the rapid adoption and embedding of digital lifestyle in all our daily lives, thanks and no thanks to the pandemic. Studies have also shown that ASEAN has the fastest penetration and adoption of mobile/smart phones in this community. I would like to urge all members of ABA to participate in this prestigious event and to use the conference as an avenue to share your views and comments during the scheduled Conference and Council meetings. This will strengthen and help to shape our own strategic pathways for the banking and finance industry and complement the digital economic developments in this region. This event will also present great opportunities for you to network with your regional peers and business leaders as well as others thought leaders and subject matter experts outside the region.

I would like to thank LBA for hosting and arranging a list of interesting programmes and exciting social activities for all participants to have memorable time in Vientiane Capital, Lao PDR. I am also grateful to His Excellency Bounleua Sinxayvoravong, Governor, Bank of the Lao PDR, and His Excellency Dr Kao Kim Hourn, Secretary General of ASEAN, who have very kindly agreed to deliver their keynote speech and address, respectively for this Conference.

I look forward to seeing you all at the event and wish you a rewarding and memorable time in Vientiane Capital, Lao PDR. 🇸🇰

Daw Khin Saw Oo
Chairperson, ASEAN Bankers Association &
Chairperson, Myanmar Banks Association



LANDMARK MEKONG RIVERVIEW HOTEL



PATUXAI MONUMENT

Massive Victory arch resembling the Arc de Triomphe

Patuxai is one of Vientiane's most noticeable landmarks. The impressive arch is located in the center of Vientiane on the end of Lane Xang Avenue, the road that leads to the Presidential Palace.

SIMILAR TO THE ARC DE TRIOMPHE

Patuxai, which translates to "Victory Gate" is a massive concrete monument with a wide avenue leading to it similar in style to the Arc de Triomphe in Paris, France. The Patuxai or Patuxay was built in the 1960's as a memorial for those who gave their lives serving their country in several wars. 🇇🇵



THE OPPORTUNITIES, RISKS, AND FUTURE OF GENERATIVE AI

WHERE THE TECH IS HEADED AND WHAT IT MEANS FOR BUSINESS

Contributed by Zhou Na, Head of Data and Analytics, Asia Pacific, Oliver Wyman. This article was originally published on Oliver Wyman's website in June 2023.



Mainstream use of generative artificial intelligence (AI) has arrived, and with it the promise of transformative potential for business.

Generative AI is increasingly part of many individuals' daily lives, speeding up personal tasks at home, at school, and at work. Businesses and large organizations are seeing potential everywhere they look to transform complex and expensive processes and do other things that were out of practical reach until now. At the same time, although rapidly advancing, generative AI still has significant limitations in certain areas, and widespread adoption brings a host of risks. Companies need a clear understanding of the strengths and weaknesses of these tools, as well as the future opportunities and pitfalls they'll create.

HOW BUSINESSES ARE USING GENERATIVE AI TO BOOST PRODUCTIVITY

Generative AI's capabilities differ from those of older AI applications. Examples of the new wave of apps include the now-ubiquitous ChatGPT, a talented chatbot that helps users to write, brainstorm, learn, and code; MidJourney, for creating high-quality images from a simple text description; and Synthesia, a platform that can produce professional videos with humanlike avatars.

Generative AI possesses the remarkable ability to interpret open-ended human commands, write, summarize, code, brainstorm, and remix any ideas or skills that humans have demonstrated on the internet over the last 20 years. The technology has found an immediate application in domains where people spend significant amounts of time reading and writing, aiming to streamline information gathering and

synthesis. By harnessing generative AI, organizations seek to optimize productivity and revolutionize how information is processed and assembled.

THE KEY LIMITATIONS AND RISK OF GENERATIVE AI

1. Generative AI has advanced rapidly and garnered tremendous public interest. New models can now generate content, not just make predictions or classifications. They can produce illustrations, essays, code, and more. These interactions feel increasingly humanlike, even though the models themselves lack human values, common sense, and true understanding.
2. So far, companies have primarily been using generative AI to enhance individual productivity, including drafting emails, organizing pitches, or searching documents. Widespread automation will take more time as companies adapt governance and workflows. Many companies are experimenting to better understand the technology's capabilities and limitations in context.
3. The remarkable ability of generative AI systems to produce and understand language fluently gives a mistaken impression that they have certain skills of humans, or even of other computer programs. In truth, current iterations have a host of crucial shortcomings. Their logic and recall can be flawed, for example, and their reasoning ability is prone to unexpected failure. The systems are prone to "hallucinations," outputting material that is factually incorrect but presented with a high level of confidence and polish. These issues may compound the already considerable risks associated

Continued from page 4

- with traditional AI systems, such as accountability and oversight, transparency, data privacy and security, and bias. The technology also enables heightened cyber risk, with bad actors using generative AI for voice cloning, deepfakes, and other techniques to penetrate information security defenses. Finally, generative AI tools may produce content that infringes on copyrighted source material, leaks confidential data, or proves defamatory. Companies must proceed carefully by proactively assessing risks and developing new governance approaches.
4. Regulations on AI are still developing and vary regionally. Regulators should recognize that having guardrails in place can foster innovation within companies. Guardrails, along with stronger monitoring, also become critical when AI is applied to sensitive areas such as employment, access to utilities and credit, and border control. The EU is setting an example, with a particular focus on higher-risk uses of AI, working on regulations that provide higher-level expectations rather than prescriptive metrics and bright lines, understanding that fairness and other metrics depend heavily on context. Companies should monitor evolving regulations to ensure compliance and understand operational implications.
 5. Individuals and companies should start experimenting with generative AI but recognize that it is a journey. While bleeding-edge experimentation by researchers, entrepreneurs, and others continues to create a deluge of new models and techniques, enterprise adoption will be gradual. Companies' early experiments are more about learning firsthand about this strange new technology than achieving a predictable return on investment (ROI). Still, companies that don't start controlled testing risk lagging others in seeing eventual widespread productivity gains. With prudent management of risks, generative AI can be tremendously empowering. But it also challenges existing governance and IT management frameworks, which may need to be redeveloped, and blurs the line between human and machine.

In summary, generative AI is poised for mainstream adoption if governance and responsible development can keep pace. But it will remain an iterative learning process for the foreseeable future. With due diligence and an open, yet cautious mindset, individuals and companies alike can benefit from this promising but perilous new frontier. ■

FROM THE DESK OF THE SECRETARY GENERAL

Greetings to all from the Secretariat Office.

In August, ASEAN celebrated its birthday – ASEAN Day, as it turns 56 on the 8th August, ahead of the national and independence days of Indonesia, Malaysia and Singapore. On ASEAN Day, member nations participate in various activities to promote regional solidarity and showcase ASEAN's achievements and objectives. This occasion has served as a vital platform to emphasise the significance of regional collaboration in addressing shared challenges and fostering economic growth and cultural understanding. From its humble and fragmented beginnings, it is now an enlarged and premier economic bloc in the global stage. This is largely due to the unceasing and tireless efforts as well as farsighted determination of our forefathers and its people.

Thanks to them, ASEAN is now the 3rd largest economy in the Indo-Pacific and the 5th largest in the world. At a projected annual growth rate of between 4.5 and 5.5% per year, ASEAN will overtake the economies of EU and Japan to become the 4th largest in the world by 2050, blessed with a favourable demographics of largely youthful and growing population of 650 million. The middle class in ASEAN is expected to more than double in size to over 300 million by end of this decade. The youthful and increasingly middle-class population is expected to drive the ASEAN's digital economy and making it one of the world's largest social media markets. Rightfully, this year's Chair of ASEAN, Indonesia has

dedicated the theme - "ASEAN Matters: Epicentrum of Growth".

The ASEAN Bankers Association (ABA) is playing its part in continuing to push ahead with capacity building and collaboration within the digital and fintech ecosystems to prepare and embrace this next wave of digital economy through innovation and transformation whilst embracing the need for sustainable growth through greening the economy. Case in point, is our completion and publication of the ASEAN Interoperable Data Framework (IDF) to facilitate the flow of data cross-borders which vital for the digital economy. In this forthcoming Conference in December, we have also aptly focused on the theme - "Digitalisation and Sustainable Growth in Banking Sector of ASEAN: Opportunities and Challenges".

Our host, Lao Bankers' Association (LBA) for this year's Conference and Council Meeting has been hard at work and pulling all stops to make this a meaningful, memorable, and fruitful events. The meeting will be held at the Landmark Mekong Riverview Hotel, Vientiane Capital beside the Mekong River, from 6th to 8th December 2023. I look forward to your valued presence and participation at the meetings and to a productive get together for the advancement of all our members and stakeholders in ASEAN. ■

Mr Paul C G Gwee

DIGITAL ECONOMY FRAMEWORK AGREEMENT (DEFA): ASEAN TO LEAP FORWARD ITS DIGITAL ECONOMY AND UNLOCK US\$2 TN BY 2030

Source: ASEAN Secretariat website



The DEFA seeks to offer a comprehensive roadmap to empower businesses and stakeholders across ASEAN, through accelerating trade growth, enhancing interoperability, creating a safe online environment, and increasing participation of MSMEs. As such, key topics such as digital trade, cross-border e-commerce, cybersecurity, digital ID and digital payments are considered along with emerging topics such as AI to ensure a future-proof DEFA. According to a bottom-up model developed by Boston Consulting Group, ASEAN's digital economy is projected to triple by the end of the decade through the natural adoption of digital technologies, growing from approximately US\$300 billion to almost US\$1 trillion by 2030. Progressive rules in DEFA would double this value contribution, unlocking US\$2 trillion to ASEAN digital economy.

The study on the **ASEAN Digital Economy Framework Agreement (DEFA)** has been officially endorsed by the ASEAN Economic Ministers' (AEM) meeting on 19 August 2023. The study was commissioned by the ASEAN Member States, with the support from Australia for ASEAN Futures Initiative (Aus4ASEAN Futures), and provides an ambitious vision of harmonious digital opportunity for the region, going beyond the existing bilateral or multilateral Digital Economy Agreements (DEAs).

Dr Kao Kim Hourn, Secretary-General of ASEAN, underscored that "The completion of the DEFA study is a major milestone and one of the most remarkable achievements in 2023, laying an important preparatory work for ASEAN to embark on DEFA negotiations. DEFA is also a testament to ASEAN's long-term commitment to embrace digital transformation that will leap forward ASEAN businesses globally, and unlock a borderless era of economic growth."

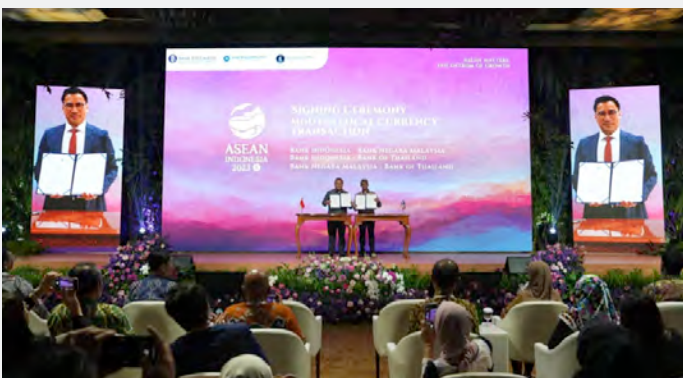
The DEFA study engaged with stakeholders across ASEAN, gathering information through a series of workshops and consultative sessions across the region. It also incorporated feedback from ASEAN's private sector, surveying over 2,000 micro, small and medium enterprises (MSMEs), engaging over 60 business leaders at large corporations. It was also backed by a secondary literature review to derive best-practice recommendations.

The ASEAN Economic Ministers' (AEM) meeting also endorsed the Framework for Negotiating ASEAN DEFA, paving the way for ASEAN to commence the DEFA negotiations by the end of 2023.

The DEFA negotiations are expected to be officially launched at the 23rd ASEAN Economic Community (AEC) Council meeting and to be officially acknowledged by the ASEAN Leaders at the 23rd ASEAN Summit in Jakarta, in September 2023. ■

BANK INDONESIA (BI), BANK NEGARA MALAYSIA (BNM), AND THE BANK OF THAILAND (BOT) STRENGTHEN COOPERATION TO PROMOTE THE USE OF LOCAL CURRENCIES IN BILATERAL TRANSACTIONS

Source: BI Website



On 25 August 2023, Bank Indonesia (BI), Bank Negara Malaysia (BNM), and the Bank of Thailand (BOT) concluded the signing of three bilateral Memorandum of Understanding (MoUs) on 25 August 2023. These MoUs are the Framework for Cooperation to **Promote Bilateral Transactions in Local Currencies between the countries**.

Bank Indonesia Governor Perry Warjiyo, Bank Negara Malaysia Governor Abdul Rasheed Ghaffour, and Bank of Thailand Governor Sethaput Suthiwartnarueput signed the bilateral MoUs. The signing took place on the sidelines of the ASEAN Finance Ministers and Central Bank Governors' Meeting in Jakarta, Indonesia.

The three central banks are committed to strengthening cooperation in the use of local currencies for bilateral transactions. The scope of the framework is now expanded to include more eligible cross-border transactions beyond trade and direct investment which would be implemented gradually. The new framework will also synergise with cross-border payment initiatives for more accessible and efficient local currency settlements.

The MoUs are set to strengthen cross-border economic activities, enhance regional financial market stability, and deepen local currency markets in the three countries. They supersede the MoUs on local currency settlement framework signed between the three central banks on 27 August 2015 and 23 December 2016. ■

CALENDAR OF EVENTS

PROGRAMMES	DATE	VENUE	HOST/ORGANISER/SUPPORTING ORGANISATION
ASEAN Data Interoperable Framework – Workshop & Taskforce Meeting	February – October 2023	Virtual via Teams	The Association of Banks in Singapore – (Chair of COFITT - ABS) and ASEAN Bankers Association (ABA)
Vietnam Risk Management Workshop and Mojaloop Briefing	17 to 18 August 2023	Sheraton Hotel, Hanoi, Vietnam	Vietnam Banks' Association (VNBA) and ASEAN Bankers Association (ABA)
Industry Briefing - ASEAN Bankers Association's Interoperable Data Framework (ABA IDF)	23 August 2023	Webinar - via Teams	The Association of Banks in Singapore – (Chair of COFITT - ABS) and ASEAN Bankers Association (ABA)
Cambodia Banking Conference 2023 – Promoting Sustainable Banking in Cambodia	24 to 25 August 2023	Hyatt Hotel, Phnom Penh, Cambodia - Hybrid Meeting	The Association of Banks in Cambodia– (ABC) and ASEAN Bankers Association (ABA)
Catalyst for Digital Banking	28 August 2023	Novotel, Yangon, Myanmar	Myanmar Banks' Association and ASEAN Bankers Association (ABA)
TB-CERT Cybersecurity Annual Conference 2023: Main topic - Sustainable Cybersecurity	22 September 2023	The Athenee Hotel, Bangkok, Thailand	Thailand Banking Sector Computer Emergency Response Team (TB-CERT) under The Thai Bankers' Association (TBA)
23rd ASEAN Banking Conference and 51st ASEAN Banking Council Meeting	6 to 8 December – 2023	Landmark Mekong Riverview Hotel, Vientiane Capital, Lao PDR	Lao Bankers' Association (LBA) and ASEAN Bankers Association

HIGHLIGHTS FROM NATIONAL BANKING ASSOCIATION

MYANMAR BANKS ASSOCIATION (MBA) – CATALYST FOR DIGITAL BANKING



In the opening remarks, Daw Khin Saw Oo, Chairperson, ASEAN Bankers Association and Myanmar Banks Association and Executive Chairman of AYA Bank PLC highlighted that workshop is timely and highly pertinent with the industry special focus on digitalisation in the banking world.

Our Banking Industry has already introduced ATM and card services, internet banking, mobile banking, mobile wallet and other comprehensive range of competitive financial service and products to improve efficiency and effectiveness of the Banking Services.

It was noted that the Banks' digital platforms have transformed over the years to provide seamless digital journeys. They have been designed to on-board new customers, offer data-driven personalised solutions, and provide self-service and value-added features.

Daw Khin Saw Oo remarked that sometime back, the pandemic was at the forefront of discussion in all spheres, including banking. While it unfortunately resulted in millions of casualties and brought down the world economy to its knees, it, nonetheless, resulted in a fundamental rethink in the way we operate. One of its offshoots has been an acceleration in the pace of digitalisation. The Covid-19 induced pandemic has acted both as a catalyst and a litmus test for digital adoption by banks. While digital transformation has been put to test in terms of disaster recovery and business continuity, the crisis has served as a litmus test for banks' digital infrastructure. We have observed remarkable growth on our digital channels over the last year where overall digital transaction increased significantly in number and amount.

Digital transformation is now a prerequisite and critical for banks' survival and sustainable growth. Changing customer demands together with pressure to reduce costs and increase

Continued from page 6



efficiency are leaving banks with no option but to use modern technology. Banks must adapt to this change if they want to be successful and survive.

She went on to highlight that we are in an era where **“We do not use Technology, we live Technology”**. This new world of **“connected everything”**, is leading to a host of new opportunities and challenges as well. The emergence of the digital five forces - **Social, Mobile, Analytics, Cloud and the Internet of Things (IoT)** - is creating new and valuable sources of business information, ways to interpret data and the means to do so cost-effectively.

In a world of digital banking and with innovation and technology positioning itself as the future of payments and wealth creation, there are several opportunities for financial institutions to tackle some of the country's biggest challenges around job creation, economic empowerment and financial inclusion for youths while being a catalyst for efficiency within the sector.

Banking is no more just a brick-and-mortar affair. It has become a hotbed for innovation and technological prowess. As with any endeavor towards automation, curiosity with heightened caution is expected primarily around the impact on employment opportunities and business sustainability. However, the reality is that with digitisation comes immense opportunities for employees in any organisation to acquire new skills that position them for the future working environment which will be predominantly digital.


Digitisation fosters efficiency. For example, it broadens and extends a bank's ability to reach existing and new customers, previously unreachable due to the limitations of the physical brick and mortar branches. Digitisation simplifies manual processes through automation; reduces delays encountered by

end users; creates new job opportunities and thereby creating multiple opportunities for reskilling, up skilling, and redeploying of employees into new roles.

The digital journey cannot be complete without digital customer on-boarding which may entail ML/TF risks if not properly managed. The Bank is a proponent of the use of technology for customer end-to-end digital experience while, remaining committed to FATF recommendations when it comes to combatting ML/TF. The Central Bank of Myanmar (CBM) is establishing a framework which gives access to databases of information/documents relevant to KYC process as well as a digital document wallet service containing documents which may be used for KYC.

As pressure accentuates on commercial banks to reduce costs, the use of cloud computing is becoming increasingly popular. It allows highly expensive capital expenditure (CAPEX) to be turned into smaller operational expenses (OPEX) which are more easily managed. Further, with cloud computing banks are only charged with what they use and therefore may be more effective whilst allowing the ability financial institutions to flexible to scale or lessen as and when needed.

Although optimistic about these technological changes and potential benefits for customers there would however be more competitive banking sector, which should encourage banks to pursue useful forms of innovation. However, such innovation comes with new forms of risks. The more we foster digitalisation, the more we make ourselves open to cyber-attacks through digital means. As such digital channels are relatively new to staff and customers, they may not be aware of the security issues to which they may be exposing themselves to such risks. There is therefore a need to consolidate the knowledge concerning Information Technology and Cyber Security Risks, through running of proper and regular digital hygiene awareness outreach programs, to ensure that staff and customers alike can carry out their transactions in a safe and secure manner.

Daw Khin Saw Oo, concluded by “What we will learn together today will be an important stepping stone in our journey towards digital banking that will improve the country's financial resilience; limit financial sector's negative externalities on our environment and society; and address our common challenges for the quality of life of future generations.” 

VIETNAM BANKS' ASSOCIATION (VNBA) – VIETNAM RISK MANAGEMENT WORKSHOP IN HANOI



Attending the workshop were representatives from the ASEAN Banking Association and speakers who were leading subject matter experts from Oliver Wyman Company; as well as representatives of the Payment Department, the Inspection

and Supervision Agency, the Credit Department of the State Bank of Vietnam (SBV), and representatives of member financial institutions of the Vietnam Banking Association (VNBA).

Speaking at the opening of the workshop, Dr Nguyen Quoc Hung, Vice Chairman cum General Secretary of the VNBA, expressed his joy and welcomed Secretary General of the ASEAN Banking Association Mr Paul Gwee and speakers who are leading experts from Oliver Wyman Company.

According to Dr Nguyen Quoc Hung, risk management in the banking industry is a very important task for banks to manage and minimise potential risks. Recent crises such as the collapse of Silicon Valley Bank (SVB) and Signature Bank in the US, the sharp declines in interest margins at Chinese banks due to bad debt in the country's real estate industry

Continued from page 7



and the collapse of the world's largest investment bank Credit Suisse has once again clearly revealed the weaknesses in risk management in banking in general and posed an urgent need to build and operate a more effective risk management system.

In Vietnam, risk management in banking is taken seriously and urgently, especially in the context of unpredictable fluctuations in the global economy along with the strong development of Industry 4.0, in the technology driven era. Therefore, banking activities, in addition to facing traditional risks, also have to face risks in the digital transformation process such as cyber-attacks, internet system crashes, and customers' personal data being hacked which can cause extremely serious consequences for the bank's operations, stability and reputation.

To cope with banking activities in the new environment, financial institutions have to proactively develop a comprehensive plan for risk prevention in operations with a focus on risks in digital transformation. Many banks have gradually applied Basel 3 standards according to international practices, build a 3-layers of lines of defence and adopt International Financial Reporting Standards (IFRS) to enhance transparency and resilience.

Dr Nguyen Quoc Hung said that despite having prepared a comprehensive risk management plan, financial institutions in Vietnam still face many unpredictable challenges. Therefore,

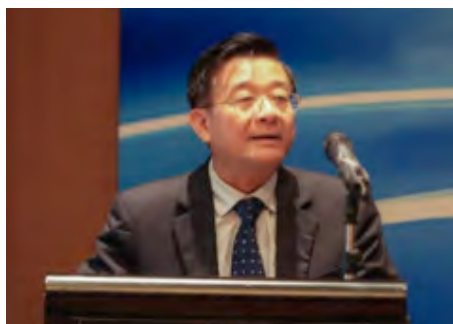
the ASEAN Banking Association coordinated with the Vietnam Banking Association to connect with a leading expert on international risk management from Oliver Wyman Company to share international experience and best practices on risk management in banking operations.

The Vietnam Risk Management Workshop covered over several main topics including: risk-reward optimisation in banking; holistic risk management and future evolution; credit risk management with case studies in data optimisation; credit underwriting and risk modelling, credit monitoring and NPL management; market and ALM risk, and non-financial risks.

At the workshop, participants participated in detailed discussions and exchanged ideas with speakers about risk assessments and shared more information on how to find the optimal risk management models to apply to banks and at the same time meet the compliance of State Bank of Vietnam.

Through the workshop, the current practices of using risk assessment tools and international standards were clarified. It had provided more practical evidence related to the use of credit risk assessment tools and also provided a more scientific basis for policy makers and risk managers at banks in building a roadmap to deploy modern credit risk assessment and measurement tools/models in accordance with international practices and standards. ■

VIETNAM BANKS' ASSOCIATION (VNBA) – MOJALOOB BRIEFING WORKSHOP IN HANOI



On August 18, 2023, in Hanoi, the Vietnam Banks Association cooperated with the ASEAN Bankers Association (ABA) to organise the introduction of the Mojaloop project - an open-source platform supporting payment activities to promote and develop the payment sector in Vietnam.

Attending the Briefing workshop were Dr Nguyen Quoc Hung, Vice Chairman cum General Secretary of the Vietnam Bankers Association; Mr Paul Gwee - General Secretary of the ASEAN Bankers Association; Mr Steve Haley, Mojaloop Project

Manager and project experts; together with representatives of the Payment Department, the State Bank of Vietnam (SBV), the National Payment Corporation of Vietnam (NAPAS) and delegates from the member financial institutions of the Vietnam Banks Association (VNBA).

In the opening speech, Dr Nguyen Quoc Hung, Vice Chairman cum General Secretary of the Vietnam Banks Association expressed his pleasure and welcomed General Secretary of ASEAN Bankers Association and experts from the Mojaloop project as well as participants.

According to Dr Nguyen Quoc Hung, data and data analysis, exploitation, and connection are the decisive factors in creating the success of the process of promoting non-cash payments and digital transformation activities in the banking industry. The banking sector has been actively developing plans, deploying connections, and exploiting information at the National Population Database, chip-embedded Citizen Identification cards, and electronic identification accounts (VNeID) for serving public services, credit information and anti-money laundering monitoring.

Continued from page 8



However, in the process of promoting non-cash payments, the banking industry has been facing several of challenges, including the challenge of synchronisation and standardisation of technical infrastructure to facilitate interconnection and seamless integration between the banking industry and other industries and others to form a digital ecosystem, providing multi-utility services to customers.

Dr Nguyen Quoc Hung hopes that the open-source software Mojaloop, developed by the Mojaloop Foundation, will be able to support and help developing countries to build safe, convenient, and affordable payment systems effective.

Presenting at the workshop, Mr Steve Haley, Mojaloop Project Director, said that the project gives top priority to payments on mobile devices, with an open loop instant payment system

- Push-only payments. Therefore, there is a fast interaction capability that helps clear payments immediately, with a time of less than 1 second and applies to small payments. At the same time, it allows financial transaction parties to use and settle accounts within the same day.

In particular, Mojaloop provides a comprehensive payment solution by connecting banks, financial institutions, and other payment service providers on an open-source platform and is designed to be able to integrate with existing payment systems. This makes money transfers faster, more convenient, and safer, especially for people living in remote and hard-to-reach areas.

At the same time, Mojaloop also helps financial institutions and banks save costs, particularly in capital expenditure in building and developing their payment systems. In addition, Mojaloop is also controlled by all payment participants and allows payment initiation by third parties (peer-to-peer payments). In particular, the cost of the service is very low with a service price point close to or equal to "0". Thereby, helping to cut costs for participating parties and meeting the requirements of all management agencies.

At the seminar, representatives of banks also participated in discussions and exchanges about detailed descriptions of the transaction protocol, operation, and application of the Mojaloop project in Vietnam. From there, it helps to better understand the features and benefits of this project to learn together and cooperate to build safe, convenient, and effective payment systems in Vietnam. **E**

VIETNAM BANKS' ASSOCIATION (VNBA) – COURTESY CALL BY ASEAN BANKERS ASSOCIATION



The Visit of the Secretary General of the ASEAN Bankers Association to the Vietnam Banks Association in Hanoi.

On August 18, 2023, Mr Paul Gwee, Secretary General of the ASEAN Bankers Association (ABA) visited and had a discussion session with the Vietnam Banks Association (VNBA) during his business trip to Hanoi. M. Nguyen Quoc Hung, Vice Chairman cum Secretary General of VNBA, presided over the welcoming session. Leaders of departments of VNBA also attended the event.

During the meeting, Dr Nguyen Quoc Hung, Vice Chairman cum Secretary General of VNBA expressed his pleasure in welcoming Mr Paul Gwee to visit VNBA and discussed topics related to the banking sector that both parties are interested in. He especially highlighted the success of "Risk Management in Vietnam and Mojaloop Briefing" workshops, which were organised by both associations.

Dr Hung mentioned that VNBA is a professional social organization representing financial institutions and other

related organisations operating in the banking sector in Vietnam. After nearly 30 years of establishment and operation, the VNBA has become a strong and reputable organisation that protects the legal rights and interests of its members. It serves as a bridge between its members and State agencies, contributing to the stability and effective development of the banking system in Vietnam and supporting the implementation of monetary policies to promote the socio-economic development of the country.

The VNBA has earned numerous prestigious awards from the State. These included the Second-class Labor Medal, and the Third-class Labor Medal, in addition to several Certificates of Merit from the Prime Minister, Emulation Flags, and Certificates of Merit from the State Bank of Vietnam. Moreover, the VNBA has been honored with a Certificate of Merit from the Ministry of Justice, and various other esteemed honors.

Dr Nguyen Quoc Hung also highlighted that the VNBA has become a trusted organisation for its members in representing and protecting their legal rights and interests, especially when it comes to providing input on policy mechanisms and safeguarding their legal rights in civil disputes and criminal cases. In the meanwhile, he expressed gratitude to the ABA and their partner, Oliver Wyman, for their effective collaboration in organising the Risk Management workshop and for introducing the Mojaloop project in Vietnam, which holds significant importance for the activities of member financial institutions. He expressed his hope that in the future, there will be continued cooperation between VNBA and ABA to organise further dialogues, workshops, and training sessions with diverse and practical contents, including topics related to risk management and payment activities. **E**

Continued from page 9

THE ASSOCIATION OF BANKS IN CAMBODIA (ABC) – 2023 CAMBODIA BANKING CONFERENCE



The 2023 Cambodia Banking Conference focused on “Promoting Sustainable and Digital Banking in Cambodia.” The conference was held on August 24-25 at the Hyatt Regency Hotel Phnom Penh, organised by the Association of Banks in Cambodia (ABC) with the support of the National Bank of Cambodia (NBC).



H.E. Kith Sovannarith, Director General of Banking Supervision of NBC, presided over the opening of the Conference on 24th August 2023, with a total number of over 300 participants, including 200 in-person and 185 online who are from the NBC, developing partners, the CMA, some members from

ASEAN Banker Associations, banks and financial institutions and other related stakeholders.

In his welcoming remarks, ABC Chairman Mr Raymond Sia said the 2023 Cambodia Banking Conference was another milestone and testament to the strong collaboration and partnership ABC has built with all stakeholders & regulators. He added that the Conference brought together banking stakeholders, relevant authorities, development partners, and related private companies in the discussion on Cambodia's transition to a greener and more sustainable economy.



Mr Sia added that Cambodia undertakes to strengthen its aspirations towards a cleaner and greener economy and fulfil its obligations for the betterment of the living conditions of Cambodian people. For these reasons, he said, a strong private-sector partnership on

climate change risk management and mitigation is important. He added that the Cambodian Sustainable Finance Initiatives have gained good traction, thanks to the leadership from NBC and the Ministry of Environment.

“Sustainable Finance, Financial Inclusion, and Risk Management are all important agendas for the banking industry, which need to be driven by our people. Another important agenda is to ensure all our members continue to reinforce the right ethics & conduct in our daily activities,” said SIA.

H.E. Kith Sovannarith, Director General of Banking Supervision of NBC, said that the National Bank of Cambodia has put concerted efforts into laying down the groundwork for the implementation of sustainable finance principles in Cambodia. During the era of modern technology, climate change has been featured in many conferences and meetings around the globe. For these past 3 years, we have experienced a global health disaster, but there are several lingering challenges for all of us and that is the threat of climate change.

“Now is the time that we must acknowledge the presence of climate change and come together to flatten the curve of greenhouse gas emissions. If possible, we shouldn't just flatten it but also bring it down to net zero, in order to avert the climate pandemic,” according to H.E. Kith Sovannarith. He went on to add that in this matter, the National Bank of Cambodia acknowledges the growing focus on sustainable and green finance globally and regionally and brings the attention of financial institutions to the potential physical and transitional risks that may arise because of climate change.

H.E. Kith Sovannarith added that in the 21st century and the 4th Industrial Revolution, technology and digitalisation have been transforming lives in many aspects. In the financial system nowadays, he added, carrying cash is not necessary anymore as financial transactions can be done with cards or smartphones, not only for domestic payment but also for international transfers.

Despite its benefits, technology poses one of the global concerns and cybersecurity has become a major issue in national and international organizations. In this context, the National Bank of Cambodia seeks to balance the advantages of digital activities against potential disruptions to the economy, especially the financial sector, by adopting and embracing digitalisation without disrupting the traditional banking activities in Cambodia, said H.E. KITH.

According to H.E. Director General of Banking Supervision, Cambodia has developed and published Technology Risk Management Guidelines which is in line with one of the five goals in the Cambodia Digital Economy and Society Policy Framework 2021-2035, “Building reliability and confidence in the digital system”.

The guidelines, he said, comprise of a section on Cloud Computing which serves as a basis of regulatory consideration for banks and financial institutions when adopting cloud technology, and also put forth some key considerations as prerequisites before embracing the technology as well as essential controls in place to address inherent risks. “The guidelines are primarily expected to enhance the safety, security, and efficiency of banking operations,” he added. ■

UPDATE FROM NATIONAL BANKING ASSOCIATION



CHAIRMAN
THE ASSOCIATION OF BANKS IN SINGAPORE (ABS)
PIYUSH GUPTA,
CHIEF EXECUTIVE OFFICER,
DBS GROUP

Mr. Piyush Gupta has been Chief Executive Officer and Director of DBS Group since 2009.

DBS is a leading financial services group in Asia, headquartered in Singapore. Recognised for its global leadership, DBS has been named "World's Best Bank" by several global publications like Euromoney and Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, and was also named "World's Best Digital Bank" by Euromoney. In addition, in 2019, DBS was listed among the top ten most transformative organisations of the decade by Harvard Business Review.

Prior to joining DBS, Piyush had a 27 year career at Citigroup, where his last position was Chief Executive Officer for South East Asia, Australia and New Zealand.

Piyush is currently the Chairman of the Board of Trustees of Singapore Management University, Vice-Chairman of the Institute of International Finance, Washington, and Vice-Chairman of the

World Business Council for Sustainable Development (WBCSD) Executive Committee. In addition, he is a member of Singapore's Advisory Council on the Ethical Use of AI and Data, and Bretton Woods Committee - Advisory Council. He sits on the boards of Singapore's National Research Foundation, and the Singapore's Council for Board Diversity. Piyush is a term trustee of the Singapore Indian Development Association (SINDA). Previously, he has been a member of the Singapore Emerging Stronger Taskforce, aimed at defining Singapore's future in a post-Covid world, the UN Secretary General's Task Force on Digital Financing of the Sustainable Development Goals, and the McKinsey Advisory Council.

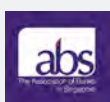
Piyush has a Bachelor of Arts (Honours) Degree in Economics from St. Stephen's College, Delhi University, India and a Post Graduate Diploma in Management from IIM, Ahmedabad.

Piyush was awarded the Public Service Star by the President of Singapore for his meritorious services to the nation in 2020. He is a recipient of the 2023 Pravasi Bharatiya Samman Award, the highest honour conferred by the Indian Government on the country's diaspora.

Piyush was named one of the world's top 100 best-performing chief executives in Harvard Business Review - 2019 edition of "The CEO 100". He was named Global Indian of the Year by the Economic Times in 2021, Singapore Business Awards' Outstanding Chief Executive of the Year in 2016, and Singapore Business Leader of the Year by CNBC in 2014.

In his personal capacity, Piyush takes a keen interest in nature, and is a Co-Chairman of the BirdLife International Advisory Group.

UPDATE FROM PERMANENT COMMITTEE ON CO-OPERATION IN FINANCE, INVESTMENT, TRADE & TECHNOLOGY (COFITT)



THE ASSOCIATION OF BANKS IN SINGAPORE (ABS)
CHAIRMAN, PERMANENT COMMITTEE ON CO-OPERATION IN FINANCE, INVESTMENT, TRADE & TECHNOLOGY
HAN KWEE JUAN,
MANAGING DIRECTOR & SINGAPORE COUNTRY HEAD, DBS BANK

Han Kwee Juan is Group Executive and Country Head of DBS Singapore, where he is responsible for leading the franchise in the Group's largest market.

Prior to this, he was DBS' Group Head of Strategy & Planning, where he played a pivotal role in driving the transformation agenda across the Group, especially in the areas of data and artificial intelligence, managing through journeys, customer experience and centricity, innovation, and future of work. He also forged partnerships across the Group to build new business models and digital growth engines, and scaled these businesses.

Before joining DBS, he was CEO and Board member of Citibank Singapore Limited (CSL). Kwee Juan spent 27 years of his banking

career at Citi successfully running various businesses which span treasury and markets, corporate and investment banking, cash management, trade finance and services, securities and funds services, credit cards and loans, and retail banking and wealth management.

He served as a member of the Main Committee on the Future Economy (CFE) and CFE's Subcommittee on Future Growth Industries and Markets in 2016. He was a council member of Singapore National Employers Federation from 2014 to 2018.

Kwee Juan is currently serving as a supervisor to the Board of DBS China and is a member of the Institute of International Finance Digital Finance steering committee.

In 2017, Kwee Juan was awarded the NTU Alumni Achievement Award in recognition of his contribution to the banking industry and NTU. He was also recognised by Retail Banker International as "Trailblazer of the Year (Individual)" in 2015 for the growth and transformation of CSL under his leadership. He was conferred the title "IBF Distinguished Fellow" for Wealth Management by the Institute of Banking & Finance in 2013.

Kwee Juan has a bachelor's degree in Computer Science and Information Systems from the National University of Singapore and an MBA (Banking and Finance) from Nanyang Technological University. He has also completed executive leadership courses from Wharton Business School and the Asia Financial Leadership Programme.



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LETTERS TO THE EDITOR

As part of our aim to promote regional exchange of ideas and information, ASEAN Banker hopes to open a dialogue on issues of importance to our readers. We invite your comments on the stories presented in these pages and welcome articles of relevance to ASEAN Banking. All letters must be signed and include an address with contact telephone or fax number. Letters may be addressed to Mr Paul C G Gwee, Secretary General of ABA.

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ASEAN Bankers Association

10 Shenton Way, #12-08 MAS Building
Singapore 079119

Tel: 65-6220 7842 Fax: 65-6222 7482

Email: admin@aseanbankers.org

Website: www.aseanbankers.org

ABOUT ASEAN BANKERS ASSOCIATION

The ASEAN BANKERS ASSOCIATION was founded in 1976. From the original five members, namely Indonesia, Malaysia, Philippines, Singapore and Thailand, it became six when Negara Brunei Darussalam joined as a member in 1984. In 1995, Vietnam was admitted into ASEAN as the seventh member and in May 1999, Cambodia was admitted as the eighth member. In July 2001, Myanmar was admitted as the ninth member. In 2004, Lao Bankers' Association was admitted as the tenth member thus making the constituent membership of the Association complete.

TODAY THE MEMBERS ARE:

The Brunei Association of Banks

The Association of Banks in Cambodia

Indonesian Banks Association (PERBANAS)

Lao Bankers' Association

The Association of Banks in Malaysia

Myanmar Banks Association

Bankers Association of the Philippines

The Association of Banks in Singapore

The Thai Bankers' Association

Vietnam Banks Association

OBJECTIVES OF THE ASSOCIATION ARE:

- to raise the profile of ABA and the ASEAN banking community;
- to strengthen the 'voice' of ASEAN in policy advocacy efforts globally or regionally;
- to contribute to the ASEAN Economic Community (AEC), provide private sector support in alignment with AEC's goal;
- to share banking 'know-how', provide education to promote best-in-class banking practices amongst members countries; and
- to promote active collaboration of ASEAN banking institutions, foster friendship and cooperation amongst bankers.

PRINCIPAL ORGANS OF THE ASSOCIATION

ASEAN BANKING COUNCIL (ABC). The Council, being the executive arm of the Association, meets annually to formulate policies and coordinate activities of the Association which are carried out and implemented through the various Committees.

THE THREE PERMANENT COMMITTEES

which discuss ideas and make recommendations to the Council are:

- Permanent Committee on Cooperation in Finance, Investment, Trade and Technology (COFITT) chaired by The Association of Banks in Singapore.
- Permanent Committee on Banking Education chaired by the Bankers Association of the Philippines.
- Permanent Committee on ASEAN Inter-Regional Relations (IRR) chaired by The Association of Banks in Malaysia.

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