



VIA VIDEO CONFERENCE

ASEAN BANKERS ASSOCIATION WITH ASEAN CENTRAL BANK GOVERNORS' AND FINANCIAL INSTITUTIONS CEOS' DIALOGUE HOSTED BY BRUNEI DARUSSALAM

This year's Policy Dialogue between the ASEAN Central Bank Governors' and Financial Institutions CEOs' with the theme of "Digitalization and Sustainability: Changing the Landscape of Financial Services in the ASEAN Region" took place on 29 March 2021 as scheduled within the ASEAN calendar. This important event within the framework of the 2021 ASEAN Summit and as part of the 7th ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM) was hosted by Brunei Darussalam as the Chair of ASEAN via webex video conference.

The event marked the start of the ASEAN Central Bank Governors Meeting under Brunei Darussalam's Chairmanship and served as an avenue for ASEAN Central Bank Governors and ASEAN financial institutions' CEOs to exchange views on possible pathways and approaches for both the policymakers and industry players to collaborate in advancing the ASEAN financial integration agenda including adapting to the changes brought by the digital age and the move towards building a more sustainable planet and economy.

Participants in the Dialogue were Central Bank Governors of the ASEAN countries, the Chairman of the ASEAN Banking Association, CEOs and representatives of the Banking Associations of the ASEAN member countries, and several international financial institutions, including guests from ASEAN Secretariat. The Deputy Secretary General of ASEAN-AEC was also in attendance. The contents of the Dialogue focused on two timely topics: (i) Emerging approaches to digital banking in the ASEAN region; and (ii) Sustainable banking – what it means for ASEAN countries?

Regarding the topic of digital banking, a representative from PricewaterhouseCoopers (PWC) stated that in the developmental trend towards a digital economy, many businesses and traditional banks have been transitioning to digital banking. In this process, data plays a particularly important role in improving productivity, innovating products and making decisions through various forms like machine learning, automation, and other forms of artificial intelligence. The ability to manage and work together to effectively utilise data has also emerged as important factor in the development



Our Chairman, Datuk Abdul Farid bin Alias making his opening remarks.



The representative from PWC making her presentation.

and success of digital banking, especially when cross-border data flows had grown 148 times between 2005 and 2016, and had helped the global GDP to grow by 10.1%.

The speaker gave some recommendations on the guiding principles and common criteria for the ASEAN countries to develop frameworks for the governance, connectivity, standards setting and data security protection, as well as appropriate technology solutions to trigger the development potentials of digital banking, develop creative and innovative financial services. On the basis of PwC's comments and the discussion between participants, the Central Bank Governors took note of the recommendation on establishing an ASEAN Working Group on Interoperable Data Framework in order to support (i) the development of a common vision and specific objectives for the ASEAN Data Framework Standards and related policies; (ii) exploring opportunities for short-term

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The BAB Chairman, Mr Ti Eng Hui making his remarks.

data connectivity among ASEAN countries; and (iii) building a common roadmap to achieve these goals.

On the topic of sustainable banking, a representative from Ernst & Young (EY) gave a presentation on sustainable banking and its role for ASEAN countries. Currently, the financial sector is transitioning from focusing only on risks and profitability to focusing more on sustainability and the role of the financial system in controlling the impacts of climate change. In addition, the fact that businesses and banks are now considering more about environmental and social factors

in the business decision-making process has also created opportunities for businesses to diversify their products and services, such as green loans, social loans, green bonds, social bonds, convertible bonds, sustainability bonds, etc., helping with their compliance with the government regulations, increasing their revenues, reducing the portfolio risks, and demonstrating that they are trustworthy and responsible organisations.

In the ensuing discussion amongst participants, it was noted that there should be more coordination with other regulators in the financial and monetary sector on the need for standard of measurement in reporting of Sustainable Development Goals (SDGs). As well as working with other relevant sectors to develop solutions to focus resources and provide more credit for projects that promote energy efficiency; the development of clean and renewable energy; use of environmentally friendly technologies and equipment. While still maintaining control of the extension of credit to sectors and fields that may adversely affect the environment in order to minimize the impacts of climate change. ■

CENTRAL BANK-ISSUED DIGITAL CURRENCIES (CBDCs) FOR RETAIL PAYMENTS: THE MONEY OF TOMORROW?

By Thio Tse Gan (Financial Services & Risk Advisory Leader, Deloitte Southeast Asia) and Andrew Koay (Director, Risk Advisory, Deloitte Southeast Asia)

It goes without saying that money is the lifeblood of our economy. Over the years, however, the nature of money has constantly evolved. First, there was bartering; then came commodity money, coins, paper money – and most recently, digital money, achieved through dematerialisation and digitisation.

Generally speaking, there are two forms of digital money today: fiat money held on central bank accounts as electronic deposits on a digital ledger; and those that leverage a combination of digital technologies such as Blockchain or distributed ledger technologies (DLT) (see Figure 1 for an illustration).

When they exist without the tried and tested foundation of a central bank, the latter is also known as virtual assets or payment tokens – of which cryptocurrencies are a variant. As a digital representation of value where the validity of payments do not rely on a central bank to ensure its integrity and finality – and instead depends on the ability of network participants to achieve consensus on what counts as a valid payment – the dominance of such markets by a handful of players could undermine the integrity and safety of cryptocurrency systems and their end-users.

While central banks have expressed greater regulatory clarity on the topic of virtual assets or payment tokens, it remains clear that cryptocurrencies are still more of a speculative asset than money. Furthermore, central banks should also be concerned about the impact on financial stability with the possible displacement of sovereign money. The extreme volatility of some cryptocurrencies, accompanied by price bubbles, have also in some cases led to regulators issuing warnings or even banning certain cryptocurrencies. Consequently, many private market actors may perceive these cryptocurrencies as inadequate means of payment for future transactions.

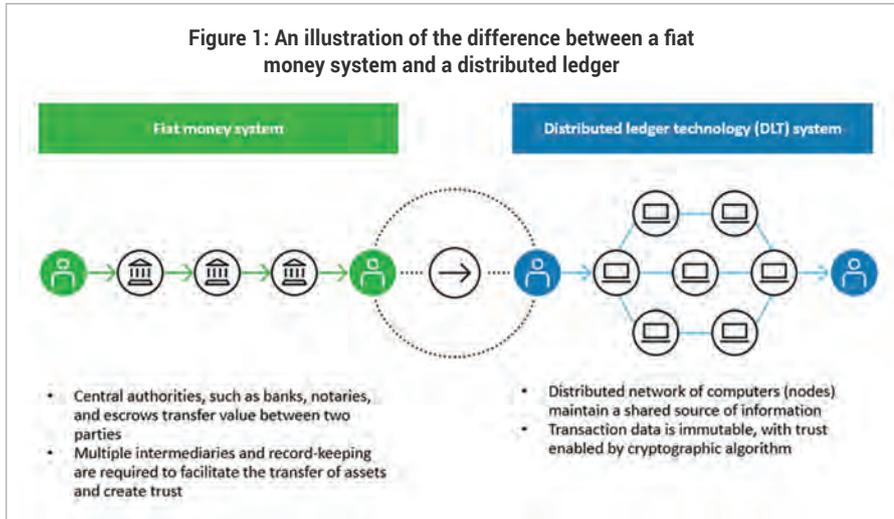
SCOPE AND PURPOSE OF CBDCS

In view of these market developments, and as the main authorities in charge of money, central banks around the world should explore and assess the potential opportunities and risk of emerging digital currencies in their financial ecosystems. For many, this includes supporting a more stable, third form of digital money, known as central bank digital currencies (CBDCs).

However, as a resulting of diverging objectives, and by virtue of CBDCs' highly versatile and customisable nature, use cases for CBDCs may differ widely across jurisdictions. Nevertheless,

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Figure 1: An illustration of the difference between a fiat money system and a distributed ledger



WHAT ARE CBDCS?

An exact definition of a CBDC is still lacking. As the Bank for International Settlements (BIS) puts it, “CBDC is not a well-defined term”, but it is envisioned by most to be a new form of digital money with a central bank liability, denominated in an existing unit of account, which serves both as a medium of exchange and a store of value. In other words, a CBDC is an electronic form of money that can be held both by the public and financial institutions depending on the adopted model.

several similarities can be observed amongst these developments. Specifically, central banks’ motivations for CBDCs can typically be classified into four shared themes: cost and payments system efficiency; declining use of cash; countering role of private money; and financial inclusion.

Recent notable global developments include US Treasury Secretary Janet Yellen’s signalling of support for central banks to look into the issuing sovereign digital currencies. With safer and cheaper payments, a digital version of the US dollar is expected to help increase financial inclusion amongst low-income households.

Closer to home in Southeast Asia, we have also observed the launch of the National Bank of Cambodia’s *Project Bakong* to distribute the Cambodian Riel and increase financial inclusion in its provinces, as well as the *Multiple CBDC (m-CBDC) Bridge* co-initiative between BIS Innovation Hub, Hong Kong Monetary Authority, Bank of Thailand, Central Bank of the United Arab Emirates, and the Digital Currency Institute of the People’s Bank of China that builds on their past work in *Project Inthanon-LionRock* to facilitate cross-border fund transfers, international trade settlement, and capital market transactions.

Similarly, the recent launch of Partior in Singapore by DBS Bank, JPMorgan, and Temasek earlier in April 2021 also builds on their past work in Project Ubin. Leveraging blockchain technology, this new platform is expected to develop wholesale payment rails based on digitised commercial bank money to reduce frictions and time delays in cross-border payments, trade, and currency settlements.

THREE SCENARIOS IN A RETAIL CBDC MODEL

At present, two CBDC models are widely in discussion: retail CBDCs, and wholesale CBDCs. For the purpose of this article, however, we will focus solely on retail CBDCs. In this section, we will give a brief overview of three different scenarios in a retail CBDC model, as well as some of their benefits and limitations.

Broadly, the structure of the current electronic retail payments usually consists of three main processes that are part of a single system – the transaction process, clearing process, and settlement process – that usually work as follows:

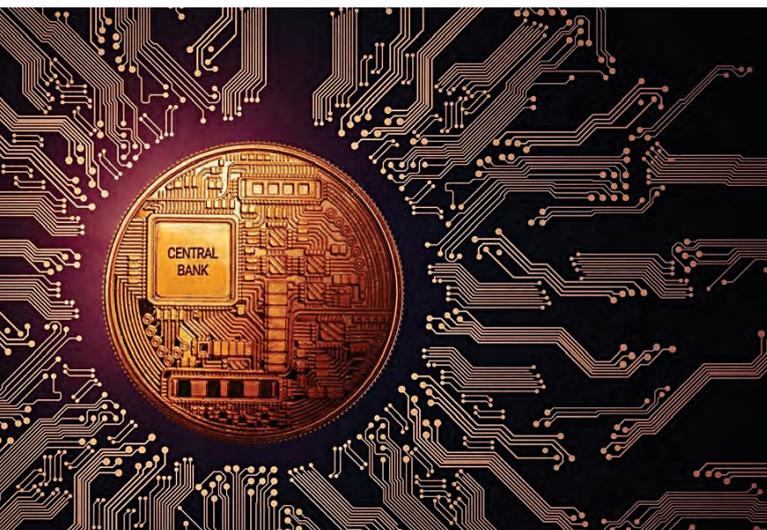
1. The transaction process ensures the dispatch and delivery of payment instructions from the originator to the relevant parties, depending on the payment instrument. It also verifies and authenticates the originator and beneficiary, and validates the payment instructions.
2. The clearing process involves matching and processing payment data. However, its most important function is calculating settlement claims and obligations, as well as ensuring the proper transmission of payment data to the settlement agent.
3. Finally, the settlement process is responsible for the proper transfer of funds between the relevant parties after all necessary verifications regarding fund availability have been duly completed. Once the settlement process has been carried out, a confirmation of debit or credit is transferred to the relevant parties.

In the retail CBDC scenarios that we describe below, the CBDCs are issued by the central bank but differ in terms of who is ultimately liable (see Figure 1 for an illustration). In Scenario 1, the issuing is done indirectly through financial intermediaries who are responsible for backing the money issued to individuals and businesses; in Scenario 2 and 3, the financial intermediaries have a direct claim on the central bank:

SCENARIO 1: INDIRECT RETAIL CBDC

In an indirect retail CBDC scenario, there are many parallels with the current retail payment process, as the set-up also includes an intermediary layer of financial institutions. These institutions responsible for onboarding and communicating with individuals and businesses, sending payment messages to other financial institutions, and ultimately transmitting payment instructions to the central bank for settlement.

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SCENARIO 2: DIRECT RETAIL CBDC

In a direct retail CBDC scenario, individuals and businesses transact with CBDCs through private accounts at a central bank. Intermediaries are no longer necessary, as the central bank takes over the role of onboarding and handling all payment services.

This scenario is likely to materially affect the structure of the current financial system, and substantially increase the roles and responsibilities of central banks. However, we understand from the different studies and proofs-of-concept of central banks that this scenario is not their preferred option, so the CBDC model of the future will most likely involve intermediaries between central banks and users.

SCENARIO 3: HYBRID RETAIL CBDC

In a hybrid retail CBDC scenario, we have a blended version of the previous two scenarios. While there is an intermediary layer of financial institutions, individuals and businesses still have a direct claim of a CBDC at the central bank.

One key implication of this scenario is that intermediaries could keep the CBDC segregated from their balance sheet, and individuals and businesses could benefit from the increased portability. For example, if a client's financial institution becomes insolvent, financial institutions acting as intermediaries can rely on the central bank to honour the claim and potentially transfer their funds to another financial institution.

FROM THEORY TO REALITY

While there is still no clear-cut view of what a successful future retail CBDC model may be at this point in time, it is widely recognised that CBDCs will bring efficiency and benefits to the economy. Nevertheless, they are still new concepts posing many open questions and risks. Several considerations that will need to be addressed before moving forward with their development include:

- **Data privacy:** Private data could potentially be exposed to those holding digital money, especially in the case of retail tokens. Therefore, storing a large amount of data in a centralised system is always questionable, and the transparency, traceability and privacy implications make CBDCs a double-edged sword.
- **AML/KYC:** The emergence of CBDCs will likely bring new financial risks, requiring necessary amendments to be implemented regarding sanction regulations or due diligence procedures. The impact of cross-border CBDC payments on AML/CTF requirements should also be carefully assessed.
- **Cybersecurity:** Although cyber threats are already a part of current payment, clearing, and settlement system risks, the introduction of a retail CBDC would present a completely different cyber resilience challenge, especially as such a CBDC model is likely to be open to a very large number of participants. This could make the system more vulnerable as it provides multiple points of attack.
- **Legal and regulatory:** The issuance of a retail CBDC could add new layers of legal complexities stemming from possible banking disintermediation. Indeed, if central banks were to issue CBDCs to the public, the deposits at commercial banks would shrink, leading to a decrease in commercial loan issuance. It is also understood that adapting current payment systems or building a new system from scratch will materially affect the current operational model. Even minor changes to what underpins the daily economic activity of banks and citizens could have major impacts on the reliability and availability of payment systems.
- **Sustainability:** The environmental footprint of digital currencies also continues to be an issue of concern. The mining of Bitcoin, for example, is energy-intensive process: according to 2019 data from the Cambridge Bitcoin Electricity Consumption Index, electricity consumption by Bitcoin amounted to some 142.59 terawatt-hours (TWh) per year – nearly the amount of electricity consumed by the entire country of Malaysia of 147.21 TWh per year.

So, to finally answer the all-important question: will CBDCs become the money of tomorrow? The answer is yes, but the question of “when” remains. This answer will, in turn, depend on the foundations of a dedicated regulatory and legal framework to facilitate the issuance, distribution, and transparency of digital currencies. Ultimately, topics such as legal status issues, policies, anonymity, interoperability, money laundering, and even sustainability must also be addressed in the regulatory framework, as the issuance of CBDCs could be accompanied by major consequences for the financial system and banks' current business models. ■

FROM THE DESK OF THE SECRETARY GENERAL



In the 2015 ASEAN Economic Community (AEC) goals, there is one which relates to the Masterplan on ASEAN Connectivity 2025. The vision here is “to achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness and a greater sense of Community”. Where one of its 5 pillars is Digital Innovation.

It is with great pride and pleasure to note that our national banking associations have played their roles in moving his goal forward in AEC. As mentioned in earlier in our newsletter, The Association of Banks in Singapore (ABS) and The Thai Bankers’ Association (TBA) through working with their respective central banks have launched the first cross-border retail real time payments through linking their payment systems - Singapore PayNow and Thailand Promptpay, respectively. Headway has also been made on the ASEAN Interoperable QR Code cross border payments, particularly between Thailand and Laos, Cambodia and Vietnam. It is understood, there are more linkages in the pipeline. These achievements could not have been made without the collaborative and strong ASEAN Spirit amongst our national banking associations.

One of the significant milestones this quarter, is the privileged to be part of the dialogue between the ASEAN Central Bank Governors and Financial Institutions CEOs on 29 March 2021 hosted by Autoriti Monetari Brunei

Darussalam (AMBD), Brunei Darussalam. This is the 4th time ABA have been invited to work with the ASEAN Central Bank Governors - AMBD and The Brunei Association of Banks (BAB) on this prominent and distinguished event. Besides our Chairman, Datuk Abdul Farid bin Alias other Chairmen/CEOs from ASEAN indigenous Financial Institutions were present for the dialogue.

Time seems to have flown by very quickly. We are now past the first quarter of the year 2021. It is the time of the year when we are in preparation for much eagerly anticipated capstone event in the calendar of the ASEAN Bankers Association (ABA) – our Annual Council Meeting.

In this coming event, it is with great pleasure to note that PERBANAS (Indonesian Banks Association) will be hosting the 50th ASEAN Banking Council Meeting in Indonesia in November 2021. Optimistically, PERBANAS is looking at Labuan Bajo on island of Flores, Indonesia, as the venue. One that is world famous for the Komodo dragons and it is in the westernmost tip of the Island. Depending on the good outcome in the coming months on managing the covid 19 pandemic and travel bubbles, the alternative venue that is being planned is Bali. The format of the event will probably in the form of hybrid of physical presence and virtual video conference. Increasingly this seems to be best option for events.

I am enthusiastic about the coming Council Meeting which I believe all of our members from each of the national banking associations are eager to participate and collaborate in the ASEAN spirit of ONE Vision and ONE Identity and ONE Community. Our host, PERBANAS is pulling out all the stops to make it a successful, exciting and forward-looking meeting. **E**

So stay tune.

Mr Paul C G Gwee

CALENDAR OF EVENTS

PROGRAMMES	DATE	VENUE	HOST/ORGANISER/SUPPORTING ORGANISATION
ABS – Financial Crime Seminar	8 – 9 July 2021*	TBC	The Association of Banks in Singapore (ABS) * (1½ sessions)
50th ASEAN Banking Council Meeting	November 2021	TBC	PERBANAS (Indonesian Banks Association) and ASEAN Bankers Association (ABA)

ASEAN PAYMENT CONNECTIVITY PAYNOW AND PROMPTPAY – THE WORLD’S FIRST CROSS- BORDER LINKAGE OF REAL-TIME PAYMENT SYSTEMS

Source: MAS & BOT websites

The Central Banks - Monetary Authority of Singapore (MAS) and the Bank of Thailand (BOT) launched the linkage of Singapore's PayNow and Thailand's PromptPay real-time retail payment systems on 29 April 2021. The first of its kind globally, the linkage is the culmination of several years of extensive collaboration between MAS and BOT, both countries' payment system operators, national banking associations [The Association of Banks in Singapore (ABS) and The Thai Bankers' Association (TBA)], and participating banks.

Customers of participating banks in Singapore and Thailand will be able to transfer funds of up to S\$1,000 or THB25,000 daily across the two countries, using just a mobile number. There will be no need to populate information fields such as the recipient's full name and bank account details, as with normal remittance solutions. The funds will flow seamlessly and securely between customers' accounts in Singapore and Thailand. The experience will be similar to how domestic PayNow and PromptPay transfers are made today, in which senders can use their mobile banking or payment applications to initiate fund transfers instantly and securely, at any time of the day. The transfers will be completed within a matter of minutes, representing a marked improvement over the average of 1-2 working days needed by most cross-border remittance solutions.

The participating banks have committed to benchmark their fees against the market. The fees will be affordably priced and transparently displayed to senders prior to confirming their transfers. Senders will also be able to view the applicable foreign exchange charges prior to sending their funds, with these rates benchmarked closely to prevailing market rates.

The PayNow-PromptPay linkage is a key collaboration under ASEAN Payment Connectivity that was initiated in 2019, and closely aligns with efforts by the

G20, Financial Stability Board, and other international standard-setting bodies to facilitate faster, cheaper, more inclusive and more transparent cross-border payment arrangements. MAS and BOT will progressively scale the PayNow-PromptPay linkage to include more participants and extend the transfer limits to facilitate business transactions. ■

Transfer funds between
SINGAPORE & THAILAND
WITH **PAYNOW**

Use PayNow for instant cross-border payments to Thailand!
It's just as **EASY**,
just as **FAST**,
just as **SAFE**.

PAY NOW INTERNATIONAL

Key in Payee's Details:

Enter Mobile
+66 X XXXX XXXX

Enter Amount
THB XXXX
S\$D XXXX

NEXT

PAY NOW INTERNATIONAL

Review and Confirm

Transfer XXXX
Payee gets XXXX

From ABC Account
XXX XXXXX XXXXX

To Joe's
Mobile +66 X XXXX XXXX

Comments
PayNow-PromptPay Transfer

CONFIRM

PAY NOW INTERNATIONAL

TRANSFERRED

Transfer XXXX
Payee gets XXXX

From ABC Account
XXX XXXXX XXXXX

To Joe's
Mobile +66 X XXXX XXXX

Comments
PayNow-PromptPay Transfer

Reference No.
XXXXXXXXXXXX

Transaction Status
Successful

SUCCESSFUL

1 Log in, choose overseas transfer to Thailand or PayNow-PromptPay.
2 Key in Thai payee's phone number and amount to send in Thai Baht.
3 Confirm payee's name and payment details.
4 Your transfer is completed!

TO RECEIVE MONEY
Simply ask the sender in Thailand to use PromptPay and key in your Singapore mobile number (e.g. +65 1234 5678)

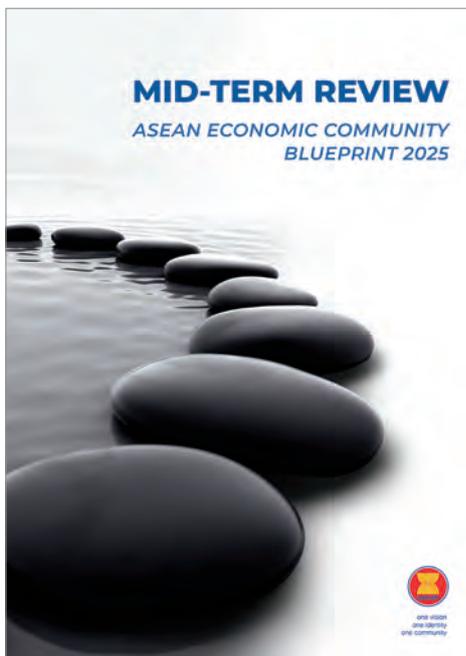
START NOW with your participating banks.*

Brought to You By: **PAYNOW** **PromptPay INTERNATIONAL**

Participating Banks: **DBS** **POSB** **OCBC Bank** **UOB**
Bangkok Bank **KBank** **Krungsri** **SCB**

*Available with most banks soon.

MID-TERM REVIEW REPORT OF THE ASEAN ECONOMIC COMMUNITY BLUEPRINT 2025



The ASEAN Economic Community (AEC) 2025 is an aspiration held by the 10 member states of ASEAN to be, by year 2025, A) a highly integrated and cohesive economy, B) a competitive, innovative and dynamic ASEAN with C) enhanced connectivity and sectoral cooperation, by remaining D) resilient, inclusive, people oriented and people centred and becoming a E) global ASEAN. The journey towards this shared aspiration continues with steadfast commitment.

A midterm review (MTR) of the ASEAN Economic Community (AEC) Blueprint 2025 has been carried out, as part of a comprehensive review of the implementation from 2016-2020. The AEC Blueprint 2025 MTR offers five key messages to guide us through the next phase of the AEC 2025 journey.

- 1) Good PROGRESS made, more needs to be done.
- 2) Better response to CROSS-CUTTING ISSUES.
- 3) Embark on broader and more meaningful ENGAGEMENTS.
- 4) Use past LESSONS to inform future directions.
- 5) EMBRACE and ADAPT to new developments and trends

For more of the report, please visit the website: <https://asean.org/storage/2021/04/mid-term-review-report.pdf> . 

THE UPDATE FROM THE ASEAN WORKING COMMITTEE ON PAYMENT & SETTLEMENT SYSTEMS – ASEAN WC-PSS

ASEAN WC-PSS

supports

THE ASEAN ECONOMIC COMMUNITY 2025

by promoting payment systems that are

SAFE • EFFICIENT • INTEROPERABLE

through its task forces on

Payment System Linkages
and Interoperability

&

Policy Harmonization
and Standardization

Accomplishments & Roadmap

2019

- APPROVAL OF A PRINCIPLES-BASED ASEAN PAYMENTS POLICY FRAMEWORK FOR CROSS BORDER REAL-TIME RETAIL PAYMENTS
- ESTABLISHMENT OF CENTRAL REFERENCES ON (1) THE STRUCTURE OF REAL-TIME RETAIL PAYMENT SYSTEM (RPS); AND (2) BASELINE OF BEST PRACTICES IN MITIGATING AND LOWERING PAYMENT FRAUD FOR THE ASEAN MEMBER STATES (AMS)
- PROMOTION OF THE USE OF INNOVATIVE RETAIL PAYMENT INSTRUMENTS

2020

- FINALIZATION OF IMPLEMENTING GUIDELINES OF THE ASEAN PAYMENTS POLICY FRAMEWORK FOR CROSS BORDER REAL-TIME RETAIL PAYMENTS

TARGET OPERATIONALIZATION OF THE ASEAN PAYMENTS POLICY FRAMEWORK

2021

2022

2023

2024

Participating AMS



ASEAN Payments Landscape

ADOPTION OF ISO 20022

4

4 AMS already use the international communications standard in its retail payment system

1

1 has implemented it in its large-value payment system

COMPLIANCE WITH CPMI-IOSCO PFMIs*

$8/10 \times 11/18 = 41\%$

8 AMS conducted self and/or third party assessment against the PFMIs

On average, AMS are compliant with 11 out of 18 principles applicable to PSS

Composite average compliance

*The Committee on Payments and Market Infrastructures (CPMI) - International Organization of Securities Commissions (IOSCO) Principles for Financial Market Infrastructures (PFMI)

SPEED OF SETTLEMENT



NEAR REAL-TIME

Almost all AMS settle funds with the ultimate beneficiary real-time

UPDATE FROM ASEAN SECRETARIAT



HE SATVINDER SINGH
 DEPUTY SECRETARY GENERAL FOR
 ASEAN ECONOMIC COMMUNITY
 (AEC)

His Excellency, Satvinder Singh took office as the new Deputy Secretary-General (DSG) for ASEAN Economic Community (AEC) on 26 March 2021

Guided by the ASEAN Charter, he will support the Secretary-General of ASEAN in the implementation of the AEC Blueprint 2025 and will lead the AEC Department of the ASEAN Secretariat. He will also provide strategic policy advice to advance ASEAN's economic integration agenda. DSG Singh, who is from Singapore, succeeded Dr Aladdin D. Rillo from the Philippines.

Prior to assuming the position, DSG Singh was the Assistant Chief Executive Officer, Trade Connectivity & Business Services at Enterprise Singapore where he was instrumental in strengthening Singapore's role as Asia's trading hub, supporting the growth of 15,000 professionals, managers, executives and technicians' jobs.

DSG Singh holds a Bachelor degree in social sciences from the National University of Singapore and completed the Harvard's Business School Advanced Management Programme.

As stated in the ASEAN Charter, the Secretary-General of ASEAN shall be assisted by four Deputy Secretaries-General, of different nationalities from the Secretary-General and shall come from four different ASEAN Member States.

Two DSGs are nominated by Member States on a rotational basis for a non-renewable term of three years while two DSGs are openly-recruited based on merit for a three-year term which may be renewed for another three years. DSG Singh is one of the two openly-recruited DSGs and he will serve from 2021 to 2024. ■

UPDATE FROM NATIONAL BANKING ASSOCIATIONS



**PRESIDENT, BANKERS ASSOCIATION
 OF THE PHILIPPINES (BAP)**

**MR JOSE ARNULFO "WICK" A
 VELOSO**

**PRESIDENT & CHIEF EXECUTIVE
 OFFICER, PHILIPPINE NATIONAL BANK**

Mr Jose Arnulfo "Wick" A Veloso, President and Chief Executive Officer of Philippine National Bank (PNB) was elected as the new President of the Bankers Association of the Philippines (BAP) at their Annual Membership Meeting on 15 March 2021.

Veloso is a Director of PNB, Allianz PNB Life Insurance, Philippine Payments Management, Inc, Philippine Dealing System Holdings Corporation, BancNet, Inc, as well as European Chamber of Commerce of the Philippines.

In 2020, PNB was recognized for being one of the awardees of the ACGS Golden Arrow for 2019. The Golden Arrow is awarded to Publicly Listed Companies (PLCs) and Insurance Companies (InsCos) that achieved the scores of at least 80 points in the 2019 ACGS Assessment. Also in 2020, PNB was recognized by The Asian Banker as Best Managed Bank during COVID-19 and Best CEO Response to COVID-19 in the Philippines. The Asian Banker's awards for 2020 were specifically aimed at evaluating the performance and responses of banks during the Pandemic as well as the initiatives implemented to help customers and society at large through the crisis.

Before joining PNB, Veloso was President and Chief Executive Officer of HSBC Philippines from 2012-18. Veloso joined HSBC Treasury Philippines in 1994 and held several key positions in HSBC Global Banking and Markets in Manila and the Regional HQ in Hong Kong. He was appointed as the Managing Director at HSBC Global Markets in 2010 until he was appointed CEO in 2012.

Veloso has more than 35 years in the financial sector. He also held positions in Urban Bank, Asiatrust, Citibank, PCI Capital and PCI Bank.

Veloso holds a Bachelor of Science in Marketing Management from De La Salle University. ■

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UPDATE FROM NATIONAL BANKING ASSOCIATIONS



**CHAIRMAN, THE ASSOCIATION OF
BANKS IN SINGAPORE (ABS)**

MR WEE EE CHEONG

**DEPUTY CHAIRMAN & CHIEF
EXECUTIVE OFFICER, UNITED
OVERSEAS BANK LTD (UOB)**

Mr Wee Ee Chong joined UOB in 1979 and served as Deputy Chairman and President of the Bank from 2000 to 2007. On 27 April 2007, he assumed the position of Chief Executive Officer. A non-independent and Executive Director, he is a member of the Executive, Nominating and Board Risk Management Committees.

A career banker with more than 40 years' experience, Mr Wee holds directorships in several UOB subsidiaries including United Overseas Insurance, United Overseas Bank (Malaysia) and United Overseas Bank (Thai) Public Company. He is Chairman of United Overseas Bank (China) and President Commissioner of PT Bank UOB Indonesia.

Mr Wee was elected as Chairman of The Association of Banks in Singapore (ABS) at their Annual General Meeting on 8 April 2021. Active in industry development, he is the Vice Chairman of The Institute of Banking & Finance and a Council Member of the Indonesia-Singapore Business Council. He is a member of the Board of Governors of the Singapore-China Foundation and an honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry. He was previously Deputy Chairman of the Housing & Development Board and a director of the Port of Singapore Authority, UOL Group, Pan Pacific Hotels Group and United International Securities. In 2013, he was awarded the Public Service Star for his contributions to the financial industry.

A keen art enthusiast, Mr Wee is the Patron of the Nanyang Academy of Fine Arts. He is also a director of the Wee Foundation.

Mr Wee holds a Bachelor of Science (Business Administration) and a Master of Arts (Applied Economics) from American University, Washington, 

UPDATE FROM NATIONAL BANKING ASSOCIATIONS



**CHAIRMAN, VIETNAM BANKS'
ASSOCIATION (VNBA)**

MR PHAM DUC AN

**CHAIRMAN OF BOARD OF DIRECTORS,
VIETNAM BANK FOR AGRICULTURAL
AND RURAL DEVELOPMENT
(AGRIBANK)**

Mr Pham Duc An was elected as Chairman of the Vietnam Banks' Association (VNBA) at the 7th Vietnam Banks' Association Conference on 11 December 2020.

Mr Pham Duc An holds a Bachelor of Law from Hanoi Law University (Vietnam), Bachelor of Economic from National Economics University and was awarded Master of Business Administration from Columbia Southern University.

Mr An has more than 25 years of extensive experience in the banking sector, holding several key positions in different important banks in the Vietnam.

Mr Pham Duc An started his banking career in 1994 as an Officer of Legal Department of Bank for Investment and Development of Vietnam (BIDV). During Mr An's twenty years of working experience at BIDV, he was assigned to work in diverse senior management positions such as Chief of Legal Department; Director in BIDV Branch; Deputy Chief Executive Officer in 2011 until mid-2014. He was also appointed as the General Director of the Vietnam-Russian Joint Venture Bank in 2012.

In mid-2014, Mr Pham Duc An was appointed as the Vice Chairman of the Board of Directors of Agribank, the position he had held until the end of 2018.

Just prior to his current appointment as Chairman of Board of Directors of Agribank, Mr Pham Duc An held the position of Director General of the SBV's Office at the State Bank of Vietnam (SBV – Central Bank of Vietnam) from early 2019. 

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UPDATE FROM PERMANENT COMMITTEE ON BANKING EDUCATION



**BANKERS ASSOCIATION
 OF THE PHILIPPINES (BAP)
 CHAIRPERSON, BANKING EDUCATION**

MS CECILIA C BORRROMEO
 PRESIDENT & CHIEF EXECUTIVE
 OFFICER, LAND BANK OF THE
 PHILIPPINES (LANDBANK)

President and CEO Cecilia C. Borrromeo holds the distinction of being President and Chief Executive Officer of two government financial institutions – the Development Bank of the Philippines (DBP) which she capably led for two years, and LANDBANK where she started her banking career.

While short, her presidency in DBP from January 2017 to February 2019 was marked with significant growth in all key financial indicators, notably in net income which grew by 36% and deposits and loans by 33% and 20%, respectively.

Cecile re-joined LANDBANK on 1 March 2019 and worked to further strengthen the Bank's financial position, while intensifying its support to agriculture as part of its social mandate. LANDBANK became a P2-Trillion bank both in assets and in deposits, ranking 2nd in the Philippine banking industry on these financial indicators. Meanwhile, LANDBANK's reach to small farmers and fishers expanded to 2.6 million as of December 2020 from 889,669 SFF in June 2019.

Her extensive banking career spans more than 30 years of handling various posts in agricultural and development lending, treasury and investment banking, public sector lending, corporate banking, global banking, wholesale banking and lending program management. ■

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



**THE ASSOCIATION OF BANKS
 IN SINGAPORE (ABS)
 CHAIRPERSON, COOPERATION IN
 FINANCE, INVESTMENT, TRADE &
 TECHNOLOGY (COFITT)**

MS SO LAY HUA
 MANAGING DIRECTOR & HEAD,
 GROUP TRANSACTION BANKING
 GROUP WHOLESALE BANKING
 UNITED OVERSEAS BANK LTD (UOB)

Ms. So Lay Hua joined UOB in 2006 and spearheaded the Group Transaction Banking business strategy. She brought with her 18 years of banking experience drawn from both major foreign banks and local bank. Since joining UOB, she has successfully anchored Group Transaction Banking as a major pillar within UOB.

Over the years, under her leadership, she transformed the team and profiled UOB Transaction Banking in the marketplace. She accomplished this by winning trophy deals and garnering prestigious awards from renowned publications, including The Asset, The Asian Banker, Treasury Today, The Corporate Treasurer, Adam Smith, Asiamoney and Euromoney.

In recognition of her dynamic leadership, Lay Hua was named 'Transaction Banker of the Year in Asia Pacific (Domestic Bank)' by The Asian Banker in 2017 and was nominated 'Asia's 25 most influential women in Treasury & Banking' by The Corporate Treasurer in 2015. These awards are a strong testament of how she was instrumental in driving the transaction banking business and is currently continuing to shape the business in a fast changing and digital environment.

Lay Hua continues to participate and contribute to Singapore and the banking industry in the various industry-led committees. She holds a business degree in Management Information System. ■



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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.

For advertisement bookings and correspondence, please contact



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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