



Heads of Delegate with Guest of Honour, His Excellency Mr Ravi Menon, Managing Director of Monetary Authority of Singapore

The 45th ASEAN Banking Council Meeting were successfully held from 11 to 12 June 2015 at Grand Hyatt Hotel, Singapore. The Council Meeting was hosted by The Association of Banks in Singapore (ABS). It is a forum to share and promote best practices and experiences as well as to further enhance cooperation among members of ASEAN Bankers Association (ABA) in the ASEAN region. Under the overall ASEAN Economic Community (AEC) agenda, it also acts as one of the catalyst towards the realisation of the ASEAN Banking Integration Framework (ABIF).



The Guest of Honour, His Excellency, Mr Menon meeting delegates and guests.



The Chairman of the ASEAN Bankers Association, Chairman of Association of Banks in Cambodia and President and Group Managing Director of ACLEDA Bank PLC, Dr In Channy, delivering his opening address.



His Excellency, Mr Ravi Menon, Managing Director of Monetary Authority of Singapore (MAS) presenting his thought provoking key note address to the delegates and observers at the Council Meeting.



The Chairman of The Association of Banks in Singapore and Group CEO of OCBC Bank, Mr Samuel Tsien delivering his welcome remarks.

Continued from page 1

ASEAN BANKING COUNCIL MEETING IN SESSION

The presentation, proceedings and dialogue session during the Council Meeting.



PERMANENT COMMITTEES OF ASEAN BANKING COUNCIL IN SESSION

The Permanent Committees of ASEAN Banking Council in parallel sessions – Cooperation in Finance, Investment & Trade (COFIT), Inter-Regional Relations (IRR) and Bank Education.



SOCIAL AND GOLFING ACTIVITIES



FROM THE DESK OF THE SECRETARY GENERAL

This year's 45th ASEAN Banking Council Meeting took place in the garden city of Singapore from 11 to 12 June 2015. It has been resounding and remarkable success. The event is made even more historically significant as we celebrate with our host The Association of Banks in Singapore (ABS) their nation's Golden Jubilee – 50 years of independence. I am sure all who attended this year's event will agree with me that ABS had taken out all stops, tremendous time and energy in thoughtfully planning and organising all the topical meetings and social activities to ensure that all delegates had benefited and thoroughly enjoyed their unique experience, especially at Universal Studios. The resonance from delegates has been that it is one of the best ever.

On behalf of the ASEAN Bankers Association, we like to record again our deepest appreciation for the warm reception and generous Singaporean hospitality extended by ABS. We are also very grateful to ABS for inviting His Excellency, Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore to this event. His Excellency gave the key note address on ASEAN Financial Integration: Where Are We, Where Next?

He gave insights and prospects on the ASEAN Financial Integration and challenged ASEAN bankers for further active industry collaboration and participation to deepen the economic and financial integration across borders. To this end he noted the Association is well placed to work with regulators and governments to identify and clear roadblocks to expedite and press on with the integration.

In the month of August, not only we celebrate the National Days of Indonesia, Malaysia and Singapore but also the 48th ASEAN Day on the 8 August 2015. It has come a long way from its inception where the five founding fathers signed the Bangkok Declaration in 1967 which brought ASEAN into existence. Collectively, it is now the 7th largest GDP in the world and projected to be the 4th largest by 2030, just after EU, US and China. ■



Let me also wish all our fellow ASEAN citizens a HAPPY 48th ASEAN DAY.

Mr Paul C G Gwee



ASEAN DAY CELEBRATION



His Excellency Le Luong Minh, Secretary-General of ASEAN in his welcome remarks on the Occasion of the 48th ASEAN Day, 10 August 2015 at the ASEAN Hall, Jakarta, Indonesia.

The ASEAN Day is to commemorate the founding of ASEAN on 8 August 1967 in Bangkok, Thailand, when the five founding fathers signed the ASEAN Declaration. The five original members are Indonesia, Malaysia, Philippines, Singapore and Thailand. Over the

years, Brunei Darussalam, Cambodia, Lao PDR, Myanmar and Viet Nam joined the Association

His Excellency said that " 48 years after, as it is developing its Post-2015 Vision, ASEAN has committed to establishing a people-oriented, people-centred and rules-based ASEAN Community where all people, stakeholders and sectors of society can contribute to and enjoy the benefits from a more integrated and connected Community encompassing enhanced cooperation in the political-security, economic and socio-cultural pillars for sustainable, equitable and inclusive development.

And, this makes our celebration today even more meaningful as this will ensure the perpetuity of our Community." ■



Singing of the ASEAN Anthem – ASEAN Way



Unveiling of the ASEAN Stamp



PHILIPPINE ATM NETWORKS CONSOLIDATION

Article contributed by Bankers Association of the Philippines



From left to right: Nestor V. Tan, Chairman Megalink; Lorenzo V. Tan, President BAP; Governor Amando M. Tetangco Jr., BSP; Nestor A. Espenilla Jr., Deputy Governor BSP; and, Manuel C. Tagaza, Chairman Bancnet

Answering calls from the Bangko Sentral (BSP) to enhance market and operational efficiency, the Bankers Association of the Philippines (BAP) initiated the consolidation of the ATM networks in the country – Bancnet and Megalink. In addition, the BAP is supportive of the goal to establish a national retail payment network that will achieve integration, efficiency and inclusiveness in the way customers pay and settle commercial as well as financial transactions.

The formal signing of the consolidation agreement was held last 30 January 2015 at the Executive Lounge of the BSP Executive Center with the BSP Governor Amando M. Tetangco, Jr. as witness to the signing of the Memorandum of Agreement.

The consolidation resulted in a single network with Bancnet as the designated operator. The transaction was operationalised by having Megalink members join Bancnet through a membership activation process.

Bancnet and Megalink, under the stewardship of the BAP, worked together to hammer out an arrangement compliant with the requirements of the Bangko Sentral on efficiency through a single payment switch; a service-oriented business model with sufficient R&D capability to address advances in technology; and, a viable risk management framework to protect not only the members but the final end-users as well. The stakeholders will strive for a single network guided by governance principles



The main signatories with representatives from the banks and the two ATM networks.



The main signatories with members of the Monetary Board and other senior BSP officials.

consistent with the requirements of a utility-like entity.

The Bangko Sentral envisions the consolidation to be the first step toward the creation of a National Retail Payment System (NRPS) that ushers financial inclusion through electronic forms of payments. ■



DEVELOPING AN ASEAN BENCHMARK FOR SME CREDIT RATING METHODOLOGY

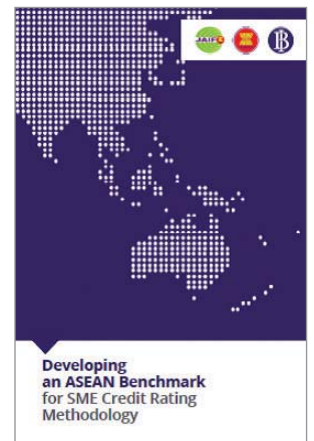


Participants at the socialisation workshop in Jakarta, Indonesia

The ASEAN Economic Community (AEC) that will be fully implemented at the end of 2015 aims to generate an ASEAN community which is characterised by a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated with the global economy.

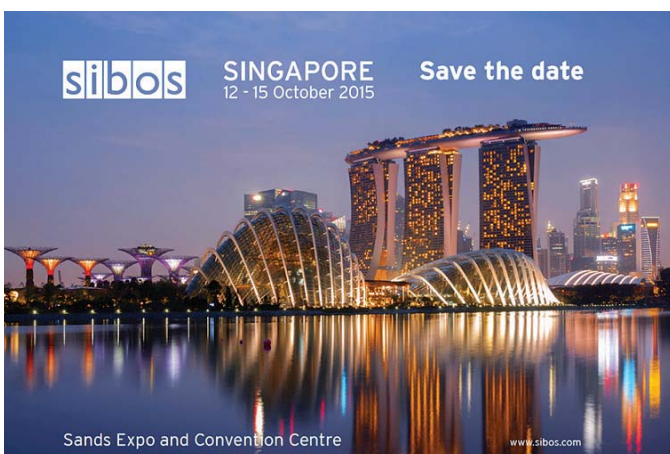
The purpose of "equitable economic development" among other key economic areas is achieved through the development of Small and Medium Enterprises (SME) and micro SME (MSME) markets, which accounts for more than 96 percent of all the enterprises in ASEAN. It is well understood that SMEs play a significant part of the economic growth throughout the region. To engender and deepen this growth it has been observed there is a need for greater access to financing for SMEs. To this end, an initiative of developing an ASEAN Benchmark for SME Credit Rating Methodology was launched by the ASEAN SME Working Group (SMEWG). The Association was privileged to work with the ASEAN Secretariat and key stakeholders on providing feedback to this project. ■

This has culminated in the attached report that can be accessed through the link - <http://www.bi.go.id/id/umkm/penelitian/nasional/kajian/Documents/DevelopinganASEANBenchmarkforSMERatingMethodology.pdf>



CALENDAR OF EVENTS

PROGRAMME	DATES	VENUE	HOST/ORGANISER
Moody's Inside ASEAN – Spotlight on Malaysia	27 August 2015	Mandarin Oriental Hotel, Kuala Lumpur, Malaysia	Moody's Investors Service
SIBOS 2015	12 to 15 October 2015	Marina Bay Sands Expo & Convention, Singapore	SWIFT



SINGAPORE
12 - 15 October 2015
Register now!

Capitalising on the growing economic significance of ASEAN

Since its inception in 1967, ASEAN has developed into a major economic powerhouse with rapid developments in global regulation, compliance and technology. This one-day forum will focus on economic harmonisation, integration and the growing reality of an ASEAN Economic Committee.

ASEAN Day
15 October 2015

www.sibos.com



ADVANCED PRACTICAL OPERATIONAL RISK MANAGEMENT TRAINING



Consequent to the popular demand for such practical courses, ASEAN Bankers Association (ABA) in collaboration with the Risk Management Association (RMA) organised the

2nd training course on Advanced Practical Operational Risk Management. This 2 ½ days course was comprehensively designed to provide practical working knowledge of the latest developments on operational risk for practitioners. In particular, the latest Basel requirements, ISO 31000 Risk Management Standards, COSO and RMA Enterprise Risk Management and ORM Frameworks. The training course took place from the 4 to 6 February 2015 at Marriott Hotel, Singapore.

The course was conducted by subject matter expert, Ms Patricia Jalleh and was well attended with participants from parts of Asia

and ASEAN, including our members from our National Bank Associations of Brunei, Malaysia, Singapore and Vietnam. The feedback from participants was positive and the training course was an overall success. ■



POTENTIAL INNOVATION IN ASEAN TRANSACTION BANKING

Article contributed by Dilip Rao, MD Ripple Labs Asia Pacific



The Association of Southeast Asian Nations (ASEAN) faces a unique set of challenges in cross border payments. Current infrastructure is not capable of servicing the demand that already exists, and cross border payments and remittances are predicted to increase significantly in the region over the next ten years. The primary issue is that there is no consistent way for siloed financial systems to connect. Payments from one country to another settle quickly in some places, but may take days in others. Cost of settlement can vary widely between different nations, banks and service providers. With both population and demand steadily rising, it is time to examine innovative solutions.

According to the Bank for International Settlements, the main cause of these problems is the region's fragmented financial infrastructure. Disparate banking and financial systems have no shared system for payments. This creates friction points that slow the transfer of funds

and attach fees in order to compensate for the difficult process. The result is that despite a robust and growing need for a comprehensive and cost effective cross border payments system for the nations of Southeast Asia, none has emerged to facilitate what the World Bank estimates to be a \$48 billion business in remittances alone. McKinsey estimates that the intraregional trade in Asia (\$2.9 trillion in 2012) will surpass Europe as the largest regional trading area by 2016.

Distributed ledger technology addresses these exact challenges. The system created by Ripple Labs consists of permissioned distributed ledgers, rather than a peer to peer block chain system. While quite a few banks —including Citigroup and Banco Bilbao Vizcaya Argentaria (BBVA) - are experimenting with block chain technology, many potential users are wary of engagement with cryptocurrency as a digital asset. Ripple is currency agnostic, allowing for direct conversion between

fiat currencies. Regulators will find the Ripple technology and collaboration model more aligned with current licensing and compliance requirements.

Ripple offers solutions specific to the problems facing ASEAN cross border payments and settlement. It connects fragmented systems, allowing banks and financial institutions across geographies to directly transact on a shared rail. The technology powers real-time, certain settlement, eliminating the need for account prefunding and reducing compliance costs for banks with end to end visibility into the transaction. Market makers on Ripple provide liquidity for settlement, making foreign exchange competitive for the first time ever. Ripple works with banks' existing compliance frameworks, enabling them to apply the same practices as they do today to transactions on Ripple. By connecting banks through an expedient, distributed network and bypassing the intermediate steps in the current process, Ripple decreases the total cost of settlement and provides an immediate, verifiable record of funds settlement.

This year, Santander Innoventures speculated that distributed ledger systems like Ripple are a trusted alternative for managing large transaction volume. They predict that this change could save banks \$20 billion a year, if banks and the latest generation of fintech startups can constructively collaborate. It is to this end that Ripple Labs partners with banks to bridge the gap. Together we can affect a change that benefits people at every level of the financial system, in ASEAN and around the world. ■



UPDATES FROM NATIONAL BANKING ASSOCIATIONS

PERBANAS – THE INDONESIAN BANK ASSOCIATION



CHAIRMAN

MR SIGIT PRAMONO

Independent Commissioner, Bank Central Asia (BCA)

Mr Sigit Pramono is elected as Chairman of ASEAN Bankers Association (ABA) at the ASEAN Banking Council Meeting in June 2015 and will hold office till 2017. Mr Pramono is also the current Chairman of PERBANAS – Indonesian Banks Association and an Independent Commissioner of Bank Central Asia (BCA).

Mr Pramono has been the Commissioner of BCA since 20 August 2008. Prior to joining BCA, he was the President Director of Bank Negara Indonesia (BNI) from 2003 to 2008. He has also held various senior executive positions in other banks and financial institutions. These include being the President Director of Bank Internasional Indonesia (BII) from 2002 to 2003, Senior Vice President of Credit Recovery at Bank Mandiri from 1999 to 2002, Head of Loan Workout Division of Bank Mandiri in 1999, Head of Loan Remedial Division of Bank Exim from 1998 to 1999, Head of Loan Syndication Department of Bank Exim from 1997 to 1998, Vice President Director of Merincorp (Merchant Investment Corporation) from 1992 to 1997 and Director of Exim Leasing from 1988 to 1992.

He graduated in Economics from Diponegoro University in 1983 and holds the Master of Business Administration in International Business Management in 1995 from Prasetiya Mulya Business School. ■

THE ASSOCIATION OF BANKS IN SINGAPORE (ABS)



CHAIRMAN

MR WEE EE CHEONG

Deputy Chairman and Chief Executive Officer

United Overseas Bank Limited (UOB)

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

A career banker with more than 30 years' experience, Mr Wee holds directorships in several UOB subsidiaries including Far Eastern Bank (where he is also Deputy Chairman), United Overseas Insurance, United Overseas Bank (Malaysia) and United Overseas Bank (Thai) Public Company. He is Chairman of United Overseas Bank (China) and Vice President Commissioner of PT Bank UOB Indonesia. Active in industry development, Mr Wee is the Chairman of The Association of Banks in Singapore and serves as a director of The Institute of Banking & Finance (IBF) and Chairman of the IBF Standards Committee. He is a member of the Board of Governors of the Singapore-China Foundation, Visa APCEMEA Senior Client Council and an honorary council member of the Singapore Chinese Chamber of Commerce & Industry. In 2013, he was awarded the Public Service Star for his contributions to the financial industry.

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

LAO BANKERS' ASSOCIATION (LBA)



CHAIRMAN

Mr PHOUKHONG CHANTHACHACK

Acting General Managing Director

Banque Pour Le Commerce Exterieur Lao Public (BCEL)

Mr. Phoukhong CHANTHACHACK was appointed as Acting General Manager of BCEL in February, 2015 and subsequently the Chairman of Lao Bankers' Association (LBA) in March 2015.

Prior to the above assignments, he started his career as a staff of the Ministry of Finance of the Lao PDR in 1988. Then he worked with BCEL in Credit Division and was promoted as the Chief of Credit Division in 1994. With his outstanding performance, he was assigned to work in diverse roles such Branch Manager and Chief of Administration and Finance Division before being promoted as Deputy Managing Director of BCEL in 2005.

With 25 years of his extensive experience in Banking Sector, he is assigned to be Acting General Manager of BCEL and Chairman of Lao Bankers' Association.

For his education background, Mr. Phoukhong CHANTHACHACK completed a Master's Degree in Economics at Karl Marx University of Economic Sciences in Hungary in 1988, and the Certificate of Political Theory at the School of Politics and Administration, Vientiane Capital, Lao PDR in 2009. ■



UPDATES FROM PERMANENT COMMITTEE ON CO-OPERATION IN FINANCE, INVESTMENT & TRADE (COFIT)


APPOINTMENT OF NEW CHAIRMAN ON COOPERATION IN FINANCE, INVESTMENT AND TRADE (COFIT)



The Association of Banks in Singapore (ABS) has announced the appointment of Mr Ian Wong as its new Chairman on COFIT. Mr Wong is the Managing Director & Head Group Strategy & International Management at United Overseas Bank Group (UOB). In this role, Ian is responsible for the Group's strategic planning. He also has management oversight on the performance and governance of UOB's overseas banking subsidiaries and branches.

Before joining UOB in November 2012, Ian has more than 20 years of corporate, institution and investment banking experience in the Asia Pacific region. Most recently, Ian was with a global financial

institution where he held various senior positions including Southeast Asia's Head of Corporate and Institutional Banking, China CEO and Asia Pacific COO. Prior to that, he also held appointments with two regional banks.

Ian has assumed supervisory and advisory board positions in various corporate and non-government organisations including a leasing company, non-profit organisation and university alumni. He graduated from the National University of Singapore with a Bachelor of Business Administration degree. Ian also holds a MBA from the J. L. Kellogg School of Management and Hong Kong University of Science and Technology. 




UPDATES FROM PERMANENT COMMITTEE ON EDUCATION

APPOINTMENT OF NEW CHAIRMAN ON EDUCATION



The Bankers Association of the Philippines (BAP) has announced the appointment of Mr Herminio M. Famatigan Jr as its new Chairman on Education. Mr Famatigan, Jr is President and Chief Executive Officer of Maybank Philippines, Inc. Jun's career in banking and finance spans over 30 years. Prior to joining Maybank Philippines, Inc., he was the President and CEO of Premiere Development Bank upon the invitation of the Rohatyn Group of New York who bought the bank in December 2006. He also served as the head of the account management group of Planters Development Bank from January 2005 to January 2007. Before that,

he was with United Coconut Planters Bank as Senior Vice President – Head, Consumer Banking Group.

Since graduating from the University of the Philippines in 1980 with a Bachelor of Science degree in Economics, he has acquired experience in corporate lending, retail banking, branch administration, distribution and other facets of consumer lending. He has worked for other banks and financial institutions including Rizal Commercial Banking Corporation, RCBC Bankard, SolidBank, Citytrust and BPI Leasing. 

EDITORIAL TEAM

ABA SECRETARIAT

Mr Paul C G Gwee, Secretary General

LIAISON OFFICES

The Brunei Association of Banks

Mr Rino Donosepoetro, Chairman

Mr Ng Moon Kwee, Vice Chairman

Mr Abdul Razak bin Abdul Malek, Secretary & Treasurer

The Association of Banks in Cambodia

Dr In Channy, Chairman

Mr Pung Kheav Se, Vice Chairman

Mr Charles Vann, Alternate Vice Chairman

Mr Grant Knuckey, Treasurer

The Indonesian Banks Association (PERBANAS)

Mr Sigit Pramono, Chairman

Ms Anika Faisal, Secretary General

Mr Eri Unanto, Executive Director

Lao Bankers' Association

Mr Mr Phoukhong Chanthachack, Chairman

Mr Khamhou Thingthavy, Secretary General

Mr Sonenalin Sengmany, Liaison Officer

The Association of Banks in Malaysia

Datuk Abdul Farid bin Alias, Chairman

Ms Chuah Mei Lin, Executive Director & Liaison Officer

Myanmar Banks Association

Mr U Thein Tun, Chairman

Dr Sein Maung, Vice Chairman

Mr U Kyaw Lynn, Secretary General

Bankers Association of the Philippines

Mr Lorenzo V. Tan, President

Mr Nestor V. Tan, First Vice President

Mr Cesar O. Virtusio, Executive Director

The Association of Banks in Singapore

Mr Wee Ee Cheong, Chairman

Mrs Ong-Ang Ai Boon, Director

The Thai Bankers' Association

Mr Boontuck Wungcharoen, Chairman

Mr. Kobsak Duangdee, Secretary General

Vietnam Banks Association

Mr. Nghiem Xuan Thanh, Chairman

Ms Tran Thi Hong Hanh, Secretary General

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: pgwee@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 and Trade (COFIT) 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.

ADVERTISEMENTS

Our readers include top CEOs, senior bankers in more than 1,000 banks spanned across ten countries in ASEAN. Government bodies, chambers of commerce and business entities interested in ASEAN banking are also included in the circulation.

If your target is the banking industry, invest by advertising in the 'ASEAN Banker'. On a cost recovery basis, our rates are modest.

Rates (Singapore Dollars, S\$)

Full page	\$2,500
Half page	\$1,500
Quarter page	\$ 800

For advertisement booking and enquiries, please contact:

Email: pgwee@aseanbankers.org or telephone (65) 6220 7842