

45th ASEAN BANKING COUNCIL MEETING
12 June 2015
Opening Remarks by Mr Samuel Tsien
Chairman, The Association of Banks in Singapore

Mr Ravi Menon, Managing Director, Monetary Authority of Singapore
Dr In Channy, Chairman, ASEAN Bankers Association
Fellow Bankers, Distinguished guests
Ladies and gentlemen,

Good morning. And, to our fellow bankers from overseas, welcome to Singapore. I hope you will also find time to do some sightseeing in our beautiful Garden City. Or, after the meetings are over, stay back to support your team at the 28th SEA Games, which is taking place this and next week at our new, iconic Singapore Sports Hub.

The Association of Banks in Singapore (ABS) is very honoured to host the 45th ASEAN Banking Council meeting. Singapore is also particularly pleased to be the host this year as we celebrate the 50th anniversary of our nation's founding.

This important ASEAN banking event has grown in stature and size over the years. Today, over 130 banking leaders and professionals are present from every member of the 10-country ASEAN community. That is a far cry from only 27 participants – from just 5 countries – who attended the first meeting on 4 December 1976 in Bangkok, Thailand.

The first Chairman of the ASEAN Banking Council was Dr Tony Tan, who is now the President of Singapore. At that time, Dr Tan was also the Chairman of the ABS and the Assistant General Manager of OCBC Bank.

It is therefore with a pleasing sense of pride that things have come a full circle as I deliver my opening remarks today as both the Chairman of the ABS and the Group CEO of OCBC Bank. I will stop here, without further extrapolation.

2015 is a milestone year for ASEAN. The imminent establishment of the ASEAN Economic Community (AEC) is a highly-anticipated development that will promote intra-ASEAN trade, capital, investment and people flows as one economic block. It will bring ASEAN and its people closer through increased bilateral interaction and regional integration.

The outlook for ASEAN is promising indeed. Consider the numbers – if ASEAN were a single market,

1. It would already be the seventh-largest economy in the world
2. Its combined GDP of US\$2.5 trillion in 2014 would have surpassed that of India
3. Home to more than 600 million people, it has a population larger than that of the European Union or North America
4. Its labour force would have been the third-largest in the world, trailing only China and India

Clearly, ASEAN has begun to emerge from the shadow of other economies that have dominated global growth. As these traditional economic giants now find themselves facing slower growth, the whole world would benefit if ASEAN can rise and take up the slack in the global arena.

For this advance to occur, our banking industry would have to be a key facilitator. A more integrated ASEAN requires an effective regional financial system, and we are pleased to note that the building of the necessary infrastructure is well in advance.

In March this year, ASEAN Finance Ministers agreed on the ASEAN Banking Integration Framework (A-BIF) which will facilitate the creation of an integrated banking market. Under the Framework, two ASEAN countries can sign reciprocal bilateral arrangements between them which would allow Qualified ASEAN Banks (QABs) of one country to operate in the other country on the same terms as a domestic financial institution.

This framework essentially creates a more favorable environment for the long term growth for ASEAN banking institutions by allowing them to more effectively compete and deepen their presence potentially across all member countries.

That said, Southeast Asia is not without differences in opinions. This is natural and understandable, particularly as each of our economies is transforming and maturing, and there are certain industries that we may need to protect either because of their nascency or social impact.

Over time, however, to make our economies resilient and competitive not only in Southeast Asia, but across Asia and globally as the world becomes more connected, these must be addressed if the region is to explore its full potential.

In his recent address to the ASEAN Conference in May 2015, Singapore's Minister for Trade and Industry, Mr Lim Hng Kiang, while acknowledging the progress made in integration, also stressed that more is needed to be done on eliminating non-tariff barriers, reducing service trade barriers and ratifying ASEAN Open Skies agreements to improve air connectivity.

As we meet today, I ask that we -- as direct market participants, take a forward looking view and leading role in working with the public sector to progressively achieve a truly integrated and open One ASEAN, and lead the change in so far as financial services are concerned as a key part of the regional economic transformation.

In this context, we are indeed privileged to have Mr. Ravi Menon, Managing Director of the Monetary Authority of Singapore, deliver the keynote address and share his insights with us at this annual meeting.

We will also hear from the three permanent committees of the ASEAN Banking Council – Cooperation in Finance, Investment and Trade (COFIT), Banking Education, and ASEAN Inter-Regional Relations – on the results of their deliberations yesterday. Let me also acknowledge the key role played by the Chairs of the 3 committees – Mr. Linus Goh from The Association of Banks in Singapore, Mr. Jun Famatigan from The Bankers Association of the Philippines and Mr. John Wong, from The Association of Banks in Malaysia. Your contributions are greatly appreciated.

And now, let us begin our day of wise thoughts and fruitful discussions. Thank you.

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