



PRESS RELEASE

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For Immediate Release

ASEAN BANKING COUNCIL MEETING SUCCESSFULLY HELD IN BRUNEI

The 48th ASEAN Banking Council Meeting was successfully held on 7-8 November 2018 at Empire Hotel & Country Club, Bandar Seri Begawan, Brunei Darussalam. The meeting was hosted by The Brunei Association of Banks (BAB) and was well attended by over 200 senior banking executives from the 10 ASEAN countries.

This year's Council Meeting on 8 November had the honour of two distinguished guests delivering the Keynote speeches - Guest of Honour Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office and Minister of Finance and Economy II, Negara Brunei Darussalam; and Dr Aladdin D Rillo, Deputy Secretary-General of ASEAN (AEC).

Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, in his keynote address stated:

"We have the right ingredients in our melting pot of diversity in economic capabilities to materialise our enormous potential and opportunity to grow and for ASEAN to continue succeeding as an economic bloc. And our potential will only be met if we put in investments in the right places, whether it be investment of capital into the right infrastructure, the right economic projects or investing our efforts to work cohesively together. This is where the Banking Industry plays the pivotal role to offer opportunities for us all to invest in our future."

In his Address, Dr Aladdin D Rillo, Deputy Secretary General of ASEAN Economic Community (AEC) shared that since the Asian financial crisis 18 years ago, ASEAN has further developed its financial sector to be able to weather "any financial crisis". He said that many ASEAN countries have adapted and restructured their banking products and services throughout the years and these developments have allowed the region to attract investments in trade and capital flows. He added that it has also strengthened the banking industry as well as increased foreign participation in ASEAN's domestic markets.

In his Welcome Remarks, Awang Abdul Razak Abdul Malek, Vice Chairman of The Brunei Association of Banks and Senior Vice President and Country Manager, United Overseas Bank, Brunei shared that the aims of ABA, amongst others, are to:

- J Strengthen the 'voice' of ASEAN in policy advocacy efforts globally or regionally, contribute to the ASEAN Economic Community (AEC) and to provide private sector support in alignment with AEC's goals
- J Share banking 'know how', provide education to promote best in class banking practices amongst member countries, and
- J Promote active collaboration of ASEAN banking institutions, foster friendship and cooperation amongst bankers

Mr Phoukhong Chanthachack, Chairman of ASEAN Bankers Association and Laos Bankers Association, and General Managing Director, Banque Pour Le Commerce Exterieur Lao Public, remarked that on strategic front, we were increasingly seeing the unfolding of the Fourth Industrial Revolution (4IR) on us and our eco-system. All of our economies in ASEAN will be affected in some ways or another. He encouraged the need to build readiness as well as leverage on the economic potentials from the transformative power of 4IR as well as work towards sustainable economic development. There must be the move from **analog to digital** given its significant potential economic impact. This is estimated to be worth up to USD 625 billion by 2030 or about 8% of the ASEAN's GDP in that year and is in alignment with one of 5 pillars in the ASEAN Connectivity Master Plan.

In his presentation on the overview and future outlook for the ASEAN Banking Sector, Mr Rajiv Biswas, Executive Director and Asia-Pacific Chief Economist, IHS Markit remarked that the APAC region is expected to remain the fastest growing region of the world over the next decade, contributing around 50% of the total increase in world GDP between 2018 and 2028. China, India and ASEAN will be the key growth engines of Asia-Pacific economic growth over the next decade. ASEAN will be one of the most dynamic regions of the global economy, growing at a pace of 5% per year in 2019-2020. Rapid ASEAN economic growth will be buoyed by strong growth in consumer spending and infrastructure investment, as well as fast-growing inter-ASEAN trade.

The Brunei economy is expected to grow strongly over the medium term, with real GDP growth forecast at 5.8% for 2019 and 7.0% in 2020. Key factors supporting rapid growth of the Brunei economy are a strong upturn in Asian LNG prices during the past 18 months combined with the construction of the new petrochemicals megaproject due to commence production in 2019.

ASEAN's banking sector is expected to be a clear winner from ASEAN's rapid GDP growth rate, which will drive strong growth in demand for financial services, including retail banking, corporate banking, trade credit and wealth management.

At the Council Meeting, members endorsed the proposals of its three permanent committees - Cooperation in Finance, Investment, Trade and Technology, ASEAN Inter-Regional Relations and Banking Education which met on 7 November.

Committee on Cooperation in Finance, Investment, Trade and Technology (COFITT)

COFITT had been and will continue to be active in promoting sustainable and responsible financing through the conduct of awareness and capacity building workshops in the various ASEAN countries. It also sought to share with members countries the opportunities available in green bond financing.

In addition, with the move towards a digital economy, the Committee at its meeting yesterday shared how banks can increase productivity and provide better customer experience through harnessing APIs and the use of artificial intelligence and big data. This must be balanced with the need to understand and address cyber security and risks.

Committee on ASEAN Inter-Regional Relations (IRR)

The Committee noted that at the 73rd ASEAN Business Advisory Council ("ASEAN BAC") Meeting held in Singapore in January 2018, under the Agenda: Engagement with the ASEAN Bankers Association ("ABA"), on the development of a working relationship and cooperation with the IRR Group whereby IRR and ABA agreed to explore a possible collaboration with ASEAN

BAC, it was agreed that initially a roadmap is needed to be developed including the timeline, area of focus, mechanism, etc. as well as to identify and prioritize areas of cooperation.

A Memorandum of Understanding (“MOU”) for the formation of ASEAN BAC Joint Business Council Financial Services Working Group was also proposed to underpin cooperation between ASEAN BAC and ABA.

Under the MOU, ASEAN BAC and ABA agree to work together to support the Banking Sub-Sector Working Group responsible for highlighting issues and problems hindering the move of the banking sector in ASEAN into the new digital era. The Working Group also encourages the sharing of professional knowledge and experience of the members. The MOU is proposed for a period of 3 years.

The Committee, in principle, agreed that all the countries will revert with their decisions after consulting the relevant regulators/legislators accordingly on the proposed MOU to be signed.

As part of the activities for next year, the Committee has identified Thailand as the venue for the study tour in 2019.

Committee on Banking Education

The Committee agreed to pursue the creation of an Online Portal for Banking Education and Training through the ASEAN Bankers Association (ABA) website with oversight by the Committee and administered by the ABA Secretariat. The Terms of Reference (TOR) was amended to align its mandate of the Committee with recent developments in the area of digital banking; financial technology (fintech); cybersecurity; environmental, social and governance (ESG); and, Islamic finance.

It was also resolved to explore through research and information sharing the concept of an ASEAN Certified Banker. Committee members cautioned that the initiative is a bit ambitious and faces a lot of challenges but could be considered aligned with the vision of an economically integrated ASEAN region in the near future

The 22nd ASEAN Banking Conference and 49th ASEAN Banking Council Meeting will be held in the last week of November 2019 in Cambodia and hosted by the Association of Banks in Cambodia.

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About ASEAN Bankers Association

The ASEAN Bankers Association (ABA) aims to strengthen the voice of the ASEAN banking community in policy advocacy efforts globally and regionally. ABA promotes active collaboration between ASEAN banking institutions and the national association of banks of the ASEAN countries to provide private sector support in alignment with the goals of the ASEAN Economic Community (“AEC”). Since its establishment in 1976, ABA has provided a platform to share

banking knowledge and provide education to promote best-in-class banking practices among the ASEAN member countries.

Further information on ABA is available on the website: www.aseanbankers.org

About The Brunei Association of Banks

The Brunei Association of Banks (BAB) provides for the orderly conduct of banking business and activities in Brunei Darussalam. This is to protect and serve the best interest of its customers with improved and more transparent services and regulations. The BAB achieves this by:

-) Acting as a platform for discussion with timely framing of rules to guide member banks.
-) Supporting the policies and initiatives set out by Autoriti Monetari Brunei Darussalam (AMBD) and other best practices.
-) Collaboration with similar bodies and other related stakeholders, both locally and internationally.

Further information on BAB is available on the website: www.bab.org.bn