



Setia Dr Awang Haji Mohd Amin Liew bin Abdullah
Minister at the Prime Minister's Office & Minister of Finance and Economy II



Heads of Delegation with Guests of Honour, His Excellency Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office & Minister of Finance and Economy II, Negara Brunei Darussalam (6th from left), and His Excellency Dr Aladdin D Rillo, Deputy Secretary-General for ASEAN Economic Community (5th from left) at the Opening Ceremony.

48TH ASEAN BANKING COUNCIL MEETING HELD FROM 7TH TO 8TH NOVEMBER 2018 IN BANDAR SERI BEGAWAN, NEGARA BRUNEI DARUSSALAM

The 48th ASEAN Banking Council Meeting was successfully held from 7th to 8th November 2018, at The Empire Hotel and Country Club, Bandar Seri Begawan, Brunei Darussalam. The Council Meeting was hosted by The Brunei Association of Banks (BAB). This event served as a platform to explore the strategic enablers and emerging trends that are within the ASEAN context and identify areas for mutual collaboration. It is also a forum to share and promote best practices and experiences as well as to further enhance cooperation among members of ASEAN Bankers Association (ABA) and act as one of the catalysts towards the realisation of the ASEAN Economic Community (AEC) agenda, including ASEAN Connectivity 2025.

This year's event is especially significant with His Excellency Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office & Minister of Finance and Economy II of Negara Brunei Darussalam and His Excellency, Dr Aladdin D Rillo, Deputy Secretary-General for ASEAN Economic

Community gracing the event. More than 200 delegates comprising of banking executives, regulators, professionals and subject matter experts from the ASEAN countries attended the event. The commitment of all ASEAN countries was demonstrated by the fact that each country's delegation was well represented by senior banking executives from a spread of prominent banks in their respective countries.

In his keynote speech, His Excellency, Dato Amin Liew urged members in the era of the fourth industrial revolution to embrace the change of the digital revolution. His Excellency remarked that with internet penetration already at 58%, ASEAN is home to the world's fastest growing population of internet users with more than 125,000 new users forecasted to come online daily through the year 2020. The ASEAN's digital economy has the potential to add an incremental USD 1 trillion in GDP by 2025 as reported by a study by AT Kearney. As such we need to be in the forefront of this digital transformation to harness and stimulate



Presentation of memento to His Excellency, Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office & Minister of Finance and Economy II by Mr Phoukhong Chanthachack, Chairman, ASEAN Bankers Association (left)



Presentation of memento to His Excellency, Dr Aladdin D Rillo, Deputy Secretary-General for ASEAN Economic Community by Mr Abdul Razak Abdul Malek, Vice Chairman, The Brunei Association of Banks (right)

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His Excellency Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office & Minister of Finance and Economy II, and His Excellency Dr Aladdin D Rillo, Deputy Secretary General of ASEAN as well as Delegates at the Opening Ceremony



48th ASEAN Banking Council Meeting with delegates from the 10 National Banking Associations in session

our existing and future industries, redesign legacy business ideas and models to improve the quality of lives and prepare for our next generation.

His Excellency cited an example in Brunei, where His Majesty the Sultan and Yang Di-Pertuan of Brunei in a recent University Brunei Darussalam Convocation gave a "titah" (command) that in order to develop using technology to change their way of life, all stakeholders are required to shift towards knowledge-based economy, that will allow the country to harness the Internet of Things, Artificial Intelligence and Machine Learning.

On the ASEAN front, one of the key enablers for a single market would be the promotion of a more digital economy which will be embedded in the ASEAN Agreement on e-Commerce and ASEAN Digital Integration Framework.

To this end, His Excellency noted and commended on the work and launch of the world's first cross-border, open architecture platform API Exchange (APIX) by the ASEAN Financial Innovation Network (AFIN) – a joint collaboration of ASEAN Bankers Association, International Finance Corporation, part of the World Bank and the Monetary Authority of Singapore (MAS).

In conclusion, His Excellency reminded members that to ensure sustainable

and resilient growth for ASEAN, we must double our collaborative efforts to deliver individual and collective commitments, abilities and successes to progress together as individual nations within one economic bloc.

In the keynote address, His Excellency, Dr Aladdin D Rillo, Deputy Secretary-General for ASEAN Economic Community provided an overview on the changes and strengthening of ASEAN resilience through market integration. In particular, he highlighted some of the progress made in the ASEAN Banking Integration Framework (ABIF) as well as on ASEAN Economic Community (AEC) 2025 and beyond. To date, two bilateral agreements have been signed between Malaysia and Indonesia, and between Malaysia and Philippines, that will pave the way for the establishment of Qualified ASEAN Banks (QABs) in those countries, expected by 2019. In addition, five agreements are under negotiation - two by the Philippines with Indonesia and Thailand; and three by Thailand with Indonesia, Malaysia and Myanmar.

In the integration process, His Excellency cautioned members to reduce incentives on excessive risk-taking and eliminate economic moral hazards, by effective banking supervision standards and strengthening their corporate governance. This involves the ability of

banks to implement risk management framework consistent with the banks' risk profile and to employ macro-prudential measures when necessary. To mitigate the potential risks arising from cross-border banking, banks can also engage in information sharing through increased financial disclosure and reporting requirements, as well as in working together with other banks to ensure consistent implementation of regulatory standards and compatible arrangements for cross-border resolution.

On the AEC 2025 and beyond, His Excellency provided three important messages to enhance the prospects of market integration. Firstly, there is a need to foster a healthy investment climate with more efforts in deepening capital markets, strengthen regulatory framework, and reinforce legal systems. It is the responsibility of all governments in the region to provide a solid and predictable environment within which markets can flourish. Secondly, there is a need to complete the reforms in ASEAN economies, particularly in the financial and corporate sectors. And finally, since economic integration is a market-driven process, the markets should be well informed and engaged. The role of the private sector is critical. The private sector can take the lead in permanently raising investment **E**



Social event - Golf



Gala Dinner event



Social event - River Cruise

The Permanent Committee on Cooperation in Finance, Investment, Trade and Technology (COFIT) in session.



The Permanent Committee on ASEAN Inter-Regional Relations (ASEAN IRR) in session.



The Permanent Committee on Banking Education in session.



FROM THE DESK OF THE SECRETARY GENERAL

The ASEAN Bankers Association (ABA) Council Meeting is one of the capstone events in its calendar. This year's event, the 487th ASEAN Banking Council Meeting that took place in Bandar Seri Begawan, Brunei Darussalam in November 2018 has seen resounding and remarkable success, with nearly 200 participants including the ASEAN Secretariat and subject matter experts from International Finance Cooperation (IFC) attending the Council Meeting.

On behalf of ABA, we want to express our heartfelt and deepest appreciation to The Brunei Association of Banks (BAB) for their warm reception, flawless hospitality and meticulous attention to organisation details. We are also very grateful to BAB for inviting His Excellency Dato Seri Setia Dr Awang Haji Modh Amin Liew bin Abdullah, Minister at the Prime Minister Office & Minister of Finance and Economy II of Negara Brunei Darussalam and His Excellency, Dr Aladdin D Rillo, Deputy Secretary General of ASEAN to grace this event.

At the Council Meeting, the three Permanent Committees provided their

reports and updates from their meeting sessions. In particular, how banks can harness the benefits of open application programming interface (APIs), big data and using artificial intelligence whilst addressing its attendant risks – cybersecurity. Other agreed key actions to be taken include plans for workshops in 2019 to socialise, cybersecurity and sustainable/green bond financing. To gain greater understanding and best practices on risk and compliance in SME financing, financial inclusion and its ecosystem in ASEAN, a study tour to Thailand is being planned for 2019. On the external collaboration front, a Memorandum of Understanding (MoU) with ASEAN Business Advisory Council (ASEAN BAC) is being discussed to advance our mutual interests, especially in 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 creation of an online Portal for banking education and training through a centralised ABA website is also being pursued for upskilling of our human capital.

The economies in ASEAN have performed relatively well in 2018. For 2019 – 2010, ASEAN will continue to be one of the most dynamic regions of the global economy, growing at a pace of 5% per year, underpin by geopolitical, trade tensions and rising interest rates. ASEAN's rapid economic growth will be buoyed by strong growth in consumer spending and infrastructure investment, as well as fast-growing inter-ASEAN trade. With these prospects, ASEAN banks must seize the growth opportunities and embrace technological advances as well as sustainable development in ONE ASEAN spirit towards realising the ASEAN Economic Community goals and meaningful benefits for the citizens of ASEAN.

Moving forward into New Year 2019, let me wish all who are celebrating the Lunar New Year a blessed, prosperous and bountiful year. GONG XI FA CAI! 🇮🇵

Mr Paul C G Gwee

