April/May 2014

# ASEAN BANKER

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To achieve higher growth through cooperation amongst ASEAN banks

## 20th ASEAN BANKING CONFERENCE & 44th ASEAN BANKING COUNCIL MEETING

Date : 12 To 14 November 2014

Venue : Shangri-La Hotel, Matcan, Cebu, Philippines

Host : **THE BANKERS ASSOCIATION OF THE PHILIPPINES**

Cebu City

PHILIPPINES


The island of Cebu is right at the geographical heart of the Philippines and is the prime destination to enjoy the best of the tropics. It is an island paradise with its long shorelines and many surrounding islets of white sand beaches. The capital city, Cebu City, earned its nickname of "Queen City of the South" as the thriving industrial and commercial heart of the central Philippines with its export-driven manufacturing and vibrant tourism industries. Nearby Mactan Island is also home to some of the best diving sites in the world, while history buffs will be fascinated by the collection of historic churches and sites all over the island. Cebu is one of the parts of the Philippines to be first Christianized, and celebrates the annual "Sinulog" festival in honor of the Sto. Nino. In contrast, Mactan Island is famed as the place where the conquistador Ferdinand Magellan fell against the ruler of Mactan, Datu Lapu-Lapu. E

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# THE REVIEW AND ECONOMIC OUTLOOK FOR PHILIPPINES ECONOMY

## BACKGROUND

Year 2013 has been a banner year for the Philippines. The country obtained its investment grade status for the very first time and the economy expanded by 7.2%, the highest in ASEAN. The country's achievement is even more pronounced with exemplary strength and resilience as it faces the impact of the devastation brought by super typhoon Haiyan (Yolanda) in Q4. It is likewise important to mention that the country have achieved this with benign inflation. Philippines economy has grown in recent years largely driven by its services sector and the near to medium term outlook would not be too different. With the share to GDP of close to 57 percent as of end-2013, the service sector will continue to be the source of economic expansion. Whilst, the industrial sector largely driven by manufacturing and construction occupies a share of 33 percent to the GDP.

## THE BANKING SECTOR

The banking industry contributed substantially to the overall growth as it grew 16% in 2013. This on the back of the remarkable performance of the commercial banking sector where its assets grew by 25% reaching PhP9.691 trillion by the end of 2013 while total deposits recorded an inclusive growth of 34% amounting to PhP7.345 trillion compared to an 8% increase in 2012. Bank lending continues to post a double digit growth of 16.4% anchored by the vibrant domestic consumption supported by strong Overseas Filipino Workers (OFW) remittances at USD22.8 billion. Foreign direct investments grew by 20.1% reaching USD3.86 billion by the end of 2013. With a manageable year-on-year price change at 3%, the central bank was able to keep its key short term interest rate at record lows.

## OUTLOOK

With significant spending for infrastructure, the continued prudent fiscal position of the National Government, and the strong contribution of the private sector, the Philippines economy is expected to continue to showcase a remarkable performance in the coming year. As preparations are underway for the inevitable in 2015 and forthcoming ASEAN Economic Integration, a robust and well-capitalized banking system will serve as the backbone for a more competitive and active industry. The banks have jumpstarted with a strong capital base that stands at 17.8% as of March 2013. While regulatory capital remains at 10%, the capital upgrade is a prudent move as Basel III is being implemented globally.

# THE BANKERS ASSOCIATION OF THE PHILIPPINES - BRIEF HISTORY

Four years after the end of the Second World War and while the Philippines was on its way to rehabilitation and full recovery from the ravages of war, the Bankers Association of the Philippines (BAP) rose from the narrow mandates of its two predecessors – the Association of Manila Banks (AMB) and the Manila Clearing House (MCH). Through the intercession of the then three-month old Central Bank of the Philippines, the foreign exchange operations of the AMB was combined with the check clearing functions of the MCH under a single roof leading to the creation of the BAP in 29 March 1949.

The founding mission and objectives of the BAP were to: frame rules and regulations in cooperation with the Central Bank to increase the efficiency and effectiveness of banking services to the community; work in cooperation with other similar associations as the need arises; pool and circulate information relevant to members; appear before any legislative, executive or regulatory body; and, work with any legal body for the consideration, formulation, amendment or alteration of any law relating to banks and banking.

Fifteen years later the BAP was officially incorporated as a duly Securities and Exchange Commission (SEC)-registered corporate entity on 24 August 1964. Since incorporation, the BAP led the march of progress for the industry with significant achievements in areas such as loan markets, foreign exchange trading, deposit insurance, foreign currency deposits, clearing and settlements, benchmarks, dealing and payments infrastructures, guarantee funds, credit bureau and activities on ASEAN banking.

Then and now, the BAP was an active participant and contributor to most important milestones in the nation's banking and financial history. It continues to be at the forefront of instituting reforms and introducing global best practices for a strong and efficient industry. As banking volume grows and the complexity of transactions evolve, the BAP played varied and challenging roles in designing solutions in tandem with the regulators and other economic players for continued financial stability as well as the economic development of the country.

This year and for the second time in its long history, the BAP will simultaneously host the 44th ASEAN Banking Council Meeting and the 20th ASEAN Banking Conference on 12 to 14 November in Mactan, Cebu. The Philippines' hosting of the regional gathering of bankers comes fittingly this year on the occasion of BAP's marking its 50th anniversary of incorporation and 65th year foundation.

*This article is contributed by the Bankers Association of the Philippines*

## FROM THE DESK OF THE SECRETARY GENERAL

It is with great pleasure to note that The Bankers Association of the Philippines (BAP) will host our key milestone programme the 20th ASEAN Banking Conference and 44th ASEAN Banking Council Meeting in Cebu, Philippines. As depicted in the front cover of our Newsletter, the venue will at the Shangri-La Hotel, Mactan, Cebu from the 12 to 14 November 2014. The event comes at the point of time where as an ASEAN community we will be looking to furthering the progress of the milestones of ASEAN Economic Community (AEC) blueprint for the Financial Sector. The Conference amongst the other important thought leadership initiatives and programme will need to review our progress towards the goals of AEC albeit it is a journey.

To this end, we have included an article from a recent research seminar which ASEAN Bankers Association was privileged to be invited by the EU Centre and Institute of South East Asian Studies (ISEAS) to participate. The reflections were provided against the backdrop of the European Crisis which will certainly facilitate our ASEAN finance community to better prepare the process for achieving our own blueprint.

I am enthusiastic about the coming Conference and Council Meeting which I believe all of our members from each of the National Bank Association are equally eager to collaborate as an ASEAN spirit of ONE Vision, ONE Identity and ONE Community for this landmark event. Our host The Bankers Association of the Philippines (BAP) is pulling out all the stops for this unforgettable event which coincides with their 50th anniversary of their incorporation.

In the meantime, we are furthering our networking and advocacy with potential international organisations and public policy bodies. Case in point, the International Factors Group and the Lee Kuan Yew School of Public Policy at National University of Singapore. These should in the long run bring opportunities and economic benefits to all our members.

The ASEAN economies on average is expected to grow above 5% this year. In the medium term, the outlook remains robust, anchored by rising domestic demand and infrastructure investments. Such favourable macroeconomic environment provides an excellent opportunity for the Banking and Financial Sector in ASEAN to leverage together as ONE Association to chart through the challenges in the AEC implementation and emerge winners for all as we enlarge the pie in the ASEAN community.

**Mr Paul C G Gwee**

## SOME REFLECTIONS ON ASEAN FINANCIAL INTEGRATION AGAINST THE BACKDROP OF THE EUROPEAN CRISIS

*This article is contributed by Dr Ulrich Volz, Senior Lecturer, SOAS, University of London & Senior Research Fellow, German Development Institute, in his address to the Research Seminar organized by EU Centre and ASEAN Studies Centre at ISEAS.*

Financial integration is an important part of ASEAN's goal to establish an ASEAN Economic Community (AEC) by 2015. The AEC Blueprint comprises far-reaching plans for financial services liberalization among member states as well as measures aimed at fostering capital market development and integration, including a dismantling of capital account restrictions in order to achieve a "freer flow of capital" across ASEAN. Numerous working committees have been negotiating the modes of liberalization and schedules. The ASEAN central bank governors are currently devising a framework for banking integration that will allow qualified ASEAN banks to operate across the region.

While financial integration can certainly benefit the region and contribute to financial development in the less developed ASEAN economies and improve the efficiency of financial systems, there are also substantial risks that come with capital account and financial liberalization. Financial integration will also have far-reaching consequences for national policy autonomy. Both the financial stability risks and the implications of close financial integration for policy autonomy have been highlighted by the recent European experiences.

While the empirical evidence suggests that the European financial integration process did indeed generate tangible economic benefits such as increased firm investment, improved cost efficiency in European banking, and a decline in nominal and real financing costs for European households and firms, it is important to see that financial integration also contributed to the European crisis. Financial integration enabled unprecedented capital flows within the eurozone that fuelled macroeconomic imbalances and financial and property bubbles. Financial and monetary integration led to a big drop in nominal and real interest rates in the periphery countries. The expanded access to funding from abroad and the drop in real interest rates in the periphery countries set off a boom which attracted further capital inflows. Large flows of capital from center countries such as Germany to the periphery countries fuelled excessive credit dynamics, construction sector booms and real estate bubbles (Ireland, Spain), and excessive fiscal spending (Greece). The booms also led to rising unit labor costs and real exchange rate appreciation, causing a loss of economic competitiveness of the periphery countries vis-à-vis the center countries and current account deficits to widen. In essence, today's European crisis countries experienced what a large number of developing and emerging countries (including some in Southeast Asia) went through over the past decades: a period of strong yet unsustainable output growth fuelled by capital inflow surges was followed by a sudden stop and reversal

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of capital flows. The reversal of private capital flows raised risk premiums which worsened governments' fiscal positions and forced painful adjustments in the crisis economies. The capital surges into in the periphery countries were made possible because of unrestricted capital flows and tightly integrated banking and capital markets. Macroprudential regulation that could have prevented excessive credit dynamics and the development of financial and property bubbles was not in place since prudential policies concentrated on the micro level only. In several countries, especially in Ireland and Cyprus where financial authorities had adopted a light-touch regulatory approach to attract foreign investments, a stricter regulation of financial markets could have prevented the development of an oversized banking sector which later proved too-big-to-rescue for these countries.

The European crisis should be therefore a reminder that more financial integration is not necessarily better. This is particularly true for small economies with weakly developed financial systems and a relatively low level of institutional development such as Cambodia, Laos, Myanmar and Vietnam. International financial integration can have serious implications for macroeconomic and financial stability: it increases contagion risk as well as the risk of capital flow surges, sudden stops, and a reversal of flows. These risks are especially large for developing countries with shallow financial sectors where even small capital movements can have strong effects on domestic markets and the exchange rate. From experiences with capital account liberalization of the past decades, including the European experiences, there is good reason to be cautious and liberalize at a rather slow pace. Once capital accounts are liberalized, it will be of utmost importance for monetary and financial authorities to closely monitor capital flows and have policy tools at their disposal to respond to capital inflow surges or disruptive outflows. Macroprudential regulation is of particular importance to deal with strong capital inflows. Moreover, policymakers should stand ready to re-impose (temporary) capital controls if other policies, including monetary, fiscal, and macroprudential policies do not suffice to mitigate risks.

The European financial integration experience also offers important lessons for the envisaged *ASEAN Banking Integration Framework*. The European crisis revealed severe shortcomings in the supervision and regulation of the integrated European banking market. In particular, the European Union (EU) and its member countries had failed to create a union-wide regulatory structure to effectively supervise pan-European banks. Although regulation was harmonized across the EU and European banks were engaged in extensive cross-border activities across the EU, financial market supervision rested entirely with the member countries. Not only did the EU fail to create a European financial supervisory authority, it turned out there was also a lack of exchange and cooperation between national supervisory authorities. Clearly, it was a mistake to push for financial integration without developing an appropriate pan-European institutional framework for supervision and resolution of

financial institutions. The crisis has underscored the need for an integrated regulatory framework that comprises prudential supervision, deposit insurance, lending of last resort, and a single resolution authority to deal with failing banks. Details of a prospective banking union are only being discussed now.

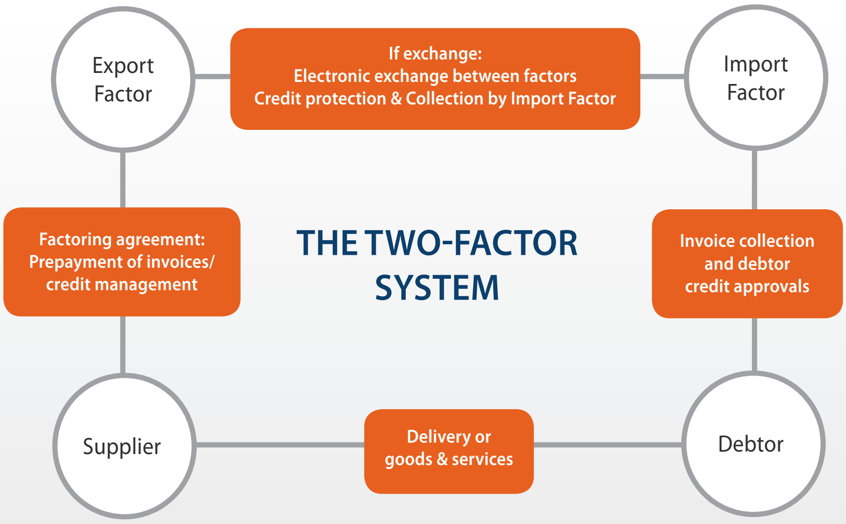
The European experience shows clearly that from a certain level of regional financial integration, there is a need for a strong regional supervisory structure. While ASEAN is still quite far from the level of financial integration that the EU has attained, there needs to be clarity of the implications of a unified financial market if this is what is to be achieved in ASEAN. If ASEAN countries want to launch an *ASEAN Banking Integration Framework*, adequate provisions will be needed to ensure an ASEAN-wide supervision of "qualified banks" that obtain a single "passport" to operate in any ASEAN country. Moreover, ASEAN supervisory authorities should put in place an adequate legal and institutional framework for bank resolution procedures that will also work for banks operating across borders. As can be seen in Europe, where questions about a pan-European supervision of banks were long shelved, they eventually need to be answered and it is better to deal with this issue before crises erupt. If ASEAN members are hesitant to transfer banking supervision powers to a regional body, then they should not aim for a single market in banking.

ASEAN countries are still at an early stage of financial integration. It should be clear, however, that a closely integrated financial market would require ASEAN member countries to transfer substantial powers from national supervisors to an ASEAN-level supervisory framework in order to guard financial stability. This would be a very far-reaching political decision for ASEAN member countries. Whatever the degree of financial integration will be aimed at in the end, experience with capital account liberalization has shown that sequencing matters greatly and that the dismantling of capital controls should be accompanied by the development of macroprudential policies. Especially for Cambodia, Laos, Myanmar and Vietnam, whose financial sectors are still shallow, capital account liberalization should proceed very gradually. In this respect, ASEAN's envisaged double-track implementation of banking and capital markets integration is sensible, where the less developed countries pursue financial services liberalization and especially capital account liberalization at a more measured pace that the more advanced ASEAN members.

To conclude, the lesson from Europe for ASEAN should not be that financial integration brings only risks and no benefits. Especially for the less developed ASEAN economies, financial integration can be an important contributor to financial development – including both banking and capital markets – and improve access to finance for firms and households. However, in order to avoid the same mistakes that were made in Europe, ASEAN countries need to design an appropriate regulatory and supervisory framework to safeguard financial stability in the integrated area and mitigate the risks that come with financial liberalization and capital account opening as they try to create integrated ASEAN financial markets. ASEAN countries will have to make sure to develop such a framework if they want to pursue their goal of achieving a financially integrated single market.

# FINANCING OPPORTUNITIES THROUGH FACTORING FOR SMALL AND MEDIUM ENTERPRISE (SME) BUSINESSES

*This article is contributed by Mr Erik Timmermans, rep. Secretary General of International Factors Group (IFG), Brussels, Belgium*




The Global Factoring Industry grew in 2012 by 8% to reach a total estimated turnover (amount of assigned receivables to factoring companies during the year) of 2.119 billion EUR. The industry financed at year end an estimated amount of 309 billion EUR to almost 500.000 companies, mostly SME's with a yearly turnover of less than 10 million EURO. Approximately 46.000 staff are directly employed in factoring activities. The figures for 2013 are not finalized when writing this article, but everything indicates that the growth trend has continued last year.

The Factoring Industry breaks turnover records year after year and plays a role of growing importance for financial industry in SME financing, development of exports and supporting economies on the road to recovery and job creation. The industry's product portfolio is evolving and now embraces Supply Chain Finance solutions and Asset Based Lending techniques. The growth potential is still huge. The total volume of factoring compared to world GDP gives a penetration of 4.19%. Another interesting way of looking at the potential for Factoring is to compare its turnover with the total amount of Business to Business payments which according to VISA can be estimated at around 110 trillion US Dollar in 2012. This indicates that less than 2.5% of inter-company receivables are being financed through factoring worldwide. Room for growth!

With over 309 billion € financed to SME's, the Factoring Industry is financing the heart of the economy to support economic growth, export and employment. There are many benefits to Commercial Finance – essential cash flow where traditional bank credit is difficult to come by and significant flexibility whilst remaining a low risk for the financier, often with very low LGD (Loss Given Default) rates.

But there is still a lot to do in this industry apart from developing the turnover. Factoring and Commercial Finance solutions are still not well enough known and understood by businesses and policy makers.

The Factoring Industry needs harmonization, needs top education, needs a unified voice to defend and promote itself. Since 1963, International Factors Group (IFG) has been bringing together like-minded organisations to network, educate and influence with a common goal of building the reach and impact of the Factoring Industry. Headquartered in Brussels, Belgium with a membership across more than 60 countries, IFG globally represents both experienced industry providers and start-ups in emerging countries.

One of the main tasks of IFG is to give access to members to a range of cross-border business solutions, the most important one being the Two-Factor business platform. In this system, Export Factors and Import Factors work effectively together on the basis of GRIF (General Rules of International Factoring) and use IFexchange, a web-based secured messaging system. One IFG member acts as the Export factor (dealing with financing, credit management, sales ledger accounting, or a combination of these services) in the suppliers' country. A second member, the Import Factor, handles credit cover and collection in the buyer's territory. Collection of payments from the importer (and where necessary, legal action) is undertaken by the Import Factor. Being present in the country of the importer, speaking the same language and understanding local customs and habits puts the Import Factor in the best position to provide a professional and effective service. The Import Factor will also analyse the creditworthiness of the importer, on the basis of locally obtained up-to-date information. In a traditional Two-Factor scheme, the Import Factor will also offer 100% credit protection to the Export Factor in case of insolvency of the buyer.

This system gives the SME-exporter the possibility to develop its export business on open account terms, whilst benefiting from credit protection and collection services in the buyers' country should things go wrong.

But IFG's role in the Factoring industry goes beyond the organisation of this Two-Factor system. IFG's education programmes provide training at all levels to enable the industry to facilitate flexible finance to SME's worldwide. A factoring foundation course is now available through e-learning in 5 different languages (English, Russian, Spanish, Chinese and French) and brings 50 years of best practices to the desktop of students all over the world. Together with the University of Malta and with FIMBank, IFG has developed the University Certificate of Finance in International Trade, which includes a full week on Factoring and Commercial Finance.

Finally, IFG promotes and defends the Factoring Industry globally, working closely with regulators and governments worldwide. IFG's Legal Committee published recently a model law on Factoring, which can be used as a basis for countries that wish to create a clear legal environment for factoring activities.

It seems fair to say that Factoring is becoming a mainstream financial solution, offering much needed liquidity and working capital to businesses all over the world and this with very low risk for the financial institutions.

**For more information on Factoring and on IFG, please visit www.ifgroup.com.**

## FATCA SEMINAR TRAINING AND WORKSHOP MANDARIN ORIENTAL HOTEL, MAKATI CITY, PHILIPPINES


The Bankers Association of the Philippines (BAP), in collaboration with the ASEAN Bankers Association (ABA) and The Association of Banks in Singapore (ABS) successfully hosted a seminar, training and workshop on the Foreign Account Tax Compliance Act (FATCA) last March 17, 2014 at the Mandarin Oriental Manila, Makati City.

The event was attended by commercial bank members of the BAP plus representatives from the Bangko Sentral ng Pilipinas (BSP), the Anti-Money Laundering Council (AMLC), the Association of Bank Compliance Officers (ABCOMP) and the US Embassy. Mr Lorenzo V. Tan, BAP President and CEO of Rizal Commercial Banking Corp. (RCBC), graced the event to deliver a message. Mr Cesar O. Virtusio, BAP Executive Director, gave the welcome address and formally opened the event, with ABCOMP President, Mr. Dante T. Fuentes, introducing the resource speaker.

The resource speaker was Mr. Mike Tan Bak Leng, formerly the FATCA Project Manager of DBS Bank Group. He represented DBS Bank in the FATCA working group of the Association of Banks in Singapore in its responses to the US Treasury on FATCA draft regulations, and was joint coordinator of the Singapore private industry banking group's representations on FATCA to the Monetary Authority of Singapore. He has conducted various briefings on FATCA to banks in the ASEAN region. Mike Tan is a Singapore-qualified lawyer and a barrister-at-law of Lincoln's Inn..

Mr. Mike Tan guided the participants through the objectives of FATCA, the challenges in its compliance and the reasons for banks to


cooperate. A substantial amount of time was spent answering questions from participants on issues and process involved in the on-boarding procedures, review of pre-existing customers, the reporting requirements, the monitoring system for changes in the profiles of clients, the withholding guidelines and the control system. He also discussed financial institutions and the type of accounts covered. The participants appreciated the laying out of the timeline and important dates in the roll out.

The event was a resounding success as evidenced by the one-on-one consultations with Mr. Tan during session breaks, lunch breaks and long after the seminar was declared closed late in the afternoon.

## ADVANCED PRACTICAL OPERATIONAL RISK MANAGEMENT TRAINING PROGRAMME

ASEAN Bankers Association (ABA) in collaboration with the Risk Management Association (RMA) had planned and organised the 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 26th to 28th February 2014 at Hilton 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 and Singapore. The feedback from participants was positive and the training course was an overall success.

## CALENDAR OF EVENTS

| PROGRAMME | DATES | VENUE | HOST/ORGANISER |
|---|---|---|---|
| Business Impact Analysis and Recovery Strategies for Banking Operations | 8 to 9 May 2014 | Singapore | The Association of Banks in Singapore |
| 5th Asian Payment Card Forum | 23 to 24 Sep 2014 | Dusit Thani Hotel, Bangkok, Thailand | The Thai Bankers Association & Asia Pacific Smart Card Association |
| 20th ASEAN Banking Conference & 44th ASEAN Banking Council Meeting | 12 to 14 Nov 2014 | Shangri-La Hotel, Mactan, Cebu, Philippines | The Bankers Association of the Philippines & ASEAN Bankers Association |

## THE ASSOCIATION OF BANKS IN SINAGPORE (ABS) UPDATE : NEW ELECTRONIC FUNDS TRANSFER SERVICE, "FAST"

The Association of Banks in Singapore (ABS) is pleased to announce the successful launch of FAST (Fast And Secure Transfers), the new electronic funds transfer service between participating banks on 17 March 2014.

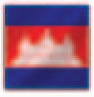
More than 33,000 transactions valued at S$64 million were processed on the first two days of operatons.

The participating banks are ANZ Bank, CIMB Bank, Citibank, DBS Bank/POSB, Deutsche Bank, Far Eastern Bank, HSBC, Maybank, OCBC Bank, RHB Bank, The Royal Bank of Scotland, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation and United Overseas Bank.

The FAST service is operating smoothly and public feedback on FAST has been very positive.

**The introductory video on FAST and FAQs are available on the ABS website at http://www.abs.org.sg/fast.php.**

## UPDATES FROM NATIONAL BANKING ASSOCIATIONS



### THE ASSOCIATION OF BANKS IN CAMBODIA (ABC)

CHAIRMAN

**MR PUNG KHEAV SE**

*Chairman, Canadia Investment Holdings Plc & Canadia Bank Plc*

Mr Pung Kheav Se is the elected Chairman of ASEAN Bankers Association (ABA) for the 2 year term period from November 2013. Mr Pung is also the current Chairman of the Association of Banks in Cambodia (ABC) and President of the Cambodia Constructors Association.

Mr. Pung is a distinguished entrepreneur and respected business leader in Cambodia. He has been actively involved in the investment and development activities of Canadia Investment Holding Plc (CIHP), the parent holding company of Canadia Bank since its establishment in 2007. His understanding of the banking industry in Cambodia, along with his leadership, helped make Canadia Bank one of the largest and most financially secure banks in Cambodia.

Mr. Pung started his career in banking in 1991, where he was President of Canadia Gold & Trust Corporation. In 2003 the name was changed to its current name, Canadia Bank Plc. Canadia brand has strong name recognition and respect throughout Cambodia. Over the years the Bank has grown its local and international customer base, expanded its global network of correspondent banking relationships, and along with the trust of its customers, has allowed the Bank to build commanding market share of deposits and loans.

Through his vision for Cambodia, and deep desire to provide economic opportunity for his fellow Cambodians, Mr. Pung has directly influenced CIHP's expansion into the real estate, construction and agricultural sectors, helping drive significant development throughout the Cambodian economy, and creating jobs and opportunity. Mr. Pung continues to be involved in efforts that spur progress in the Cambodia and throughout the region. Through his personal involvement in the China ASEAN Interbank Association, he strives to expand economic and trade relations between Cambodia and China, while also contributing to economic and social progress that improve the lives of people in both nations.

Mr. Pung has received numerous honours and recognitions for his devoted service to Cambodia, notable among them is the Mahasereyvattanac Award from His Majesty, King Norodom Sihanouk, King-Father of Cambodia in 2002.

### BANKERS ASSOCIATION OF THE PHILIPPINES (BAP)

PRESIDENT

**MR LORENZO V TAN**

*President & CEO, Rizal Commercial Banking Corporation.*

Mr Lorenzo V Tan was re-elected for the second term as the President of the Bankers Association of the Philippines (BAP) at their Annual General Meeting on 24 March 2014.

Mr Tan is the President and CEO of Rizal Commercial Banking Corporation. He has held this position since 2007. Mr Tan has a wealth of banking experience and has held senior positions at the United Coconut Planters Bank, Philippine National Bank and Sun Life of Canada (Philippines). Prior to this, he worked in various Citibank branches abroad – New York, Los Angeles and Singapore.

In 1999, Mr Tan was the recipient of the Ten Outstanding Young Men banking award in the Philippines.

### VIETNAM BANKS ASSOCIATION (VBA)

During the period the Vietnam Banks Association (VBA) in collaboration with international bodies organised two major events.

1. An international training course on "Financing with Chattel Mortgage" was jointly structured with International Finance Corporation (IFC) and subject matter experts from the World Bank. The course attracted nearly 120 participants with representatives coming from the State Bank of Vietnam, related agencies, member banks, finance companies, media and some universities.

2. The third E-Banking round table conference on "The Development of Electronic Payment" was also jointly held with International Data Group (IDG). The conference besides facilitating the sharing of experiences in E-payment and Government non cash payment program, encompasses important issues for banks to resolve in order to build effective retail banking business strategy.

### 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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## 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:

a) to raise the profile of ABA and the ASEAN banking community;
b) to strengthen the 'voice' of ASEAN in policy advocacy efforts globally or regionally;
c) to contribute to the ASEAN Economic Community (AEC), provide private sector support in alignment with AEC's goal;
d) to share banking 'know-how', provide education to promote best-in-class banking practices amongst members countries; and
e) to promote active collaboration of ASEAN banking institutions, foster friendship and cooperation amongst bankers.

### THE ASSOCIATION COMPRISES TWO PRINCIPAL ORGANS

**ASEAN BANKING CONFERENCE.** The Conference meets biennially to draw out ideas to attain the objectives of the Association and to present the desirable ones to the Council for more detailed deliberation and subsequent implementation.

**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:

a) Permanent Committee on Cooperation in Finance, Investment and Trade (COFIT) chaired by The Association of Banks in Singapore.
b) Permanent Committee on Banking Education chaired by the Bankers Association of the Philippines.
c) Permanent Committee on ASEAN Inter-Regional Relations (IRR) chaired by The Association of Banks in Malaysia.