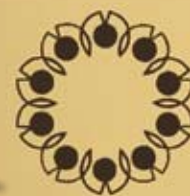




ASEAN BANKER

To achieve higher growth through cooperation amongst ASEAN banks

May 2010



Advanced Operational Risk Management ☑



Participants at the course with Ms Duong Thu Huong, Secretary General of Vietnam Banks Association, at the forefront.

The Risk Management Association (RMA) and the Asean Bankers Association (ABA) jointly organized an Advanced Operational Risk Management course on 29 and 30 Mar 2010 at the Hilton Hotel, Singapore.

The course instructor, Ms Carole Carpentier, President of See, See Beyond...Creative Consulting Inc, a risk advisory firm, has spent 25 years in a broad array of roles in the Canadian financial services industry, the last ten in the operational risk arena. Prior to her recent retirement from Royal Bank of Canada (RBC), she provided leadership for RBC's operational risk management strategy globally. Ms Carpentier served as the original chair of RMA KRI Services Steering Committee. As co-chair of RMA/ORX Joint Working Group, she helped bring the activities of these two associations together to establish a common industry framework for discussion and analysis of operational risk information.

Ms Patricia Jalleh, Head of Operational Risk Management, United Overseas Bank Group (UOB) was invited as a Special Guest Speaker to share her experience and to lead a discussion on "Setting Up an Effective Operational Risk Management Framework: A Bank's perspective". Patricia's passion and years of practical experience in the operational

risk management area was very evident in her delivery of the session which was very well received by participants. Participants fielded many questions and asked for Patricia's advice which she deftly answered.

The course was very well attended with 33 participants from 21 banks. Almost all Asean banks were represented together with a number of International banks. We had to turn away a couple of last minute registrations towards the commencement of the course as the class was full.

There were active participation and lively discussions with participants wanting to share information on the best approach to setting up and managing an effective Operational Risk Management Division in their respective banks.

At the end of the course, participants noted that Operational Risk Management is still in its infancy as compared with the other more developed disciplines such as Credit and Market Risk Management. It will continue to evolve as currently there is no one approach or model that will suit all situations and risk tolerance levels.

Contributed by Mr Chris Yip, RMA



Ms Carole Carpentier



Mr Chris Yip, RMA with Ms Patricia Jalleh, Head of Operational Risk Management, UOB

CONTRIBUTION FROM TRAINERS



Foreign Exchange & Interest Rates

Mr Richard Tean from EFG Bank Ltd, Singapore Branch was in Hanoi on 28 & 29 January 2010 to share on the topic of managing Foreign Exchange & Interest Rates. There were a total of 118 participants from 21 organizations, including heads, deputy heads of departments, experts in foreign exchange and treasury officers, accountants and internal controllers. The participants were enthusiastic and participative during the training. They felt that the course was very practical, and the trainer was able to share his valuable experience with them.

VNBA and ABA would like to record their appreciation to Mr Richard Tean for his contribution.

Risk Management & Internal Controls

On 25 & 26 February 2010, Mr Liew Chee Seng conducted a course on Risk Management & Internal Controls in Ho Chi Minh City. Mr Liew was formerly the Chief Representative & Country Manager of Qatar National Bank, Singapore. He has also worked in UOB Singapore for close to 20 years. The course attracted 159 participants ranging from middle management staff to Directors from various commercial institutions. The course dealt more on the concepts and explanation of terms relating to Risk Management. Whilst useful, participants felt that they would have benefited even more if the scope of the training had extended to cover more real life examples and case studies for managing and mitigating risks. Mr Liew appreciates the responsiveness of the audience. He was of the view that if the class size were smaller, there could be more interaction and participation.

VNBA and ABA would like to thank Mr Liew for taking time off from his busy schedule to conduct this course.



Banking Services in Import and Export Activities



Once again the banking community in Vietnam had the privilege to learn from Mr Maximo Madrideojos on the subject of Banking Services in Import and Export Activities. On 27 & 28 April 2010, Mr Maximo, retired banker from Security Bank, Philippines, was in Hanoi to share his knowledge with participants at this course hosted by VNBA. Mr Maximo had conducted a similar course at Ho Chi Minh City in December last year.

The 2-day training session in Hanoi was attended by 65 participants who are heads, deputy heads, accountants and mid career staff working in credit, international payments, and risk management. The participants enjoyed the sessions as they find the course contents very relevant and practical.

VNBA and ABA would like to thank the Bankers Association of the Philippines for arranging for Mr Maximo to teach in Hanoi. We also want to record our appreciation to Mr Maximo who has contributed to the training needs of the Asean banking community even though he has already retired.

International Symposium on Sustainable Finance in Singapore

On 29 March 2010, an International Symposium on Sustainable Finance was held at the Suntec International Convention & Exhibition Centre, Singapore. This event was sponsored by the International Finance Corporation (IFC), the private sector finance arm of the World Bank Group, with the support of the Monetary Authority of Singapore (MAS), International Enterprise Singapore (IE), and the Association of Banks in Singapore (ABS). ASEAN Bankers Association (ABA), through COFIT, also supported this event by engaging members of all the National Banking Associations of ABA to participate. The Symposium was well attended by more than 100 senior executives from the financial sector, including delegates from the ASEAN community.

Mr Ray Ferguson, Regional CEO of Singapore and South-East Asia, Standard Chartered Bank, and ABS Vice Chairman, delivered the opening remarks at the Symposium. Senior Executives from IFC, HSBC, Standard Chartered Bank (SCB), Bank of the Philippine Islands (BPI) and Cofely Philippines delivered very informative insights into the subject of sustainable financing. The topics covered during the Symposium included Global Trends and Opportunities arising from adopting sustainability as a business strategy; International Best Practices in Environmental and Social Risk Management; the Equator Principles and Performance Standards. HSBC, SCB and BPI

also shared real life case studies on their banks' approach to sustainability practice.

Corporate sustainability is not just all about financial sustainability. Increasingly, organizations are placing more emphasis on the triple bottom line: Profitability, Planet and People. Besides the viability of projects, corporations are concerned that the projects they financed are developed in a manner that is socially responsible and reflect sound environmental management practices. Sustainable Financing is incorporating all these issues together, with the view of maintaining the long-term growth of a successful business for the benefit of all stakeholders.

IFC has emerged as a leader in setting standards for environmental and social (E&S) development, and in sharing its experiences in applying E & S standards with financial institutions and enterprises around the world. The Equator Principles, which are based on IFC's E & S standards, have become the global standard for project finance and have been adopted by 70 financial institutions.

Participants came away with a better understanding and a more holistic view of how project financing can be developed in a manner that is socially responsible and reflective of sound environmental management practices.

FROM THE DESK OF THE SECRETARY GENERAL

In the previous issue of the Asean Banker, I spoke on the need for greater participation and involvement of all members of the Permanent Committees in order to see through the implementation of the initiatives decided on at the last ASEAN Banking Council Meeting on 20 November 2009 in Cambodia. I am delighted to announce that even whilst this latest issue of the Asean Banker is sent to the printers, the Permanent Committee on Finance Investment and Trade (COFIT), chaired by the Association of Banks in Singapore (ABS), has put together a workshop on ISDA/CSA and Basel II for all members of the ASEAN Bankers Association (ABA). This workshop will be held in Singapore on 26 and 27 May 2010. The speakers for the workshop will be from the three local banks in Singapore, as well as representatives from ISDA and Standards & Poor. Thus far, more than 50 participants from the various ASEAN countries have signed up for the workshop. ABS/COFIT have put in much effort to meticulously plan for this workshop, and I believe that participants will be able to enjoy and benefit from this one and a half-day of sharing their experiences, difficulties and challenges encountered whilst implementing the Basel Guidelines.

On another related issue relating to collaboration, it is also heart-warming to note the support given to

the International Symposium on Sustainable Finance which was held on 29 March 2010 in Singapore. There were more than 100 participants at this Symposium. ABA through COFIT, feels privileged to be given the opportunity to support this event. We are reminded that banks must make the effort to follow socially responsible lending practices to avoid further crises and broader issues down the road. It is no longer sufficient for banks to generate profits to boost the economy. Banks need to encourage borrowers to also review the social and environmental risks of their projects before agreeing to underwrite them. Banks could perhaps offer more incentives to reduce borrowing costs of those companies which agree to observe rigorous environmental controls, while making borrowing more expensive for those who do not. Having said this, it is not easy unless Banks have the same collective stance towards this issue. In order to achieve this single mindedness to consciously uphold social and environmental responsibility, cooperation and collaboration are still the key ingredients.

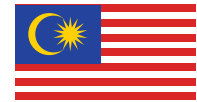
Mrs Teh-Kwok Chui Lian

CALENDAR OF EVENTS

Programmes	Date	Venue	Host
Banking Services in Import & Export Activities	27 & 28 April 2010	Hanoi	Vietnam Banks Association
COFIT Workshop on Basel and ISDA/CSA	26 & 27 May 2010	Singapore	Association of Banks in Singapore
Project Appraisal and Analysis of Financial Reports	30 June & 1 July 2010	Hanoi	Vietnam Banks Association



TOWARDS ONE ASEAN MARKET:
Enhancing and Strengthening the
Collaboration among ASEAN Countries



**18th ASEAN BANKING CONFERENCE &
40th ASEAN BANKING COUNCIL MEETING**

10 to 12 November, 2010

Bali Convention Center, Westin Hotel, Nusa Dua, Bali, Indonesia

UPDATES



BRUNEI

BRUNEI ASSOCIATION OF BANKS OFFICE BEARERS FOR YEAR 2010

CHAIRMAN:

Mr Abdul Razak bin Abdul Malek,
Vice President & General Manager, United Overseas Bank Limited

VICE – CHAIRMAN:

Mr Pierre Imhof
General Manager of Baiduri Bank Berhad

SECRETARY/ TREASURER:

Mr Javed Ahmad
Managing Director of Bank Islam Brunei Darussalam

MEMBERS:-

Mr Terence Cuddyre
Chief Country Officer, Citibank N.A.,

Mr Tareq Muhmood
Chief Executive Officer, Hongkong Bank

Mr Asmuni Sudin
General Manager, Maybank

Mr Apandi bin Klompot
Manager, RHB Bank

Mr Danny Quah
Chief Executive Officer, Standard Chartered Bank

Pg Hj Abdul Rahman Pg Hj Mat Salleh
Acting Managing Director, Tabung Amanah Islam Brunei



CAMBODIA

THE ASSOCIATION OF BANKS IN CAMBODIA OFFICE BEARERS FOR YEAR 2010

CHAIRMAN:

Mr Phan Ying Tong
Country Head, Cambodian Public Bank

VICE CHAIRMAN:

Mr Stephen Higgins
Chief Executive Officer, ANZ Royal Bank

COUNCIL MEMBERS:

Mr In Channy
President & CEO, ACLEDA Bank

Mr Khov Boun Chhay
President & CEO, Cambodia Mekong Bank

Mr Charles Vann
Executive Vice President, Canadia Bank

Mr Jubely Bin Pa
General Manager, Maybank Phnom Penh

Mr Andy Kun
President & CEO, Singapore Banking Corporation

Oknha Yum Sui Sang
Chief Executive Officer, Union Commercial Bank

Mr Yip Soreiyos
General Manager, First Investment Specialized Bank

Mr Chea Phalarin
Chairman, Cambodia Microfinance Association

Campu Bank moved to its 12½ storey corporate office building which is centrally located in the prime business district of Phnom Penh on 18 September 2009 to provide a complete “one-stop” banking service for its customers. The corporate building is equipped with the latest state of the art technology and security system, spacious banking hall and ample 2 ½ storey basement car park facilities for 100 vehicles.



LAOS

1) On its 20th anniversary celebration as a State-Owned Commercial Bank, **Banque Pour Le Commerce Exterieur Lao (BCEL)**, also officially launched the BCEL's Visa Card. This is considered a new product of BCEL and reflective of BCEL's consistent effort to meet the changing needs of the customers. BCEL has also been granted a licence from the Lao Government to provide Gold Trading Service. This new service provides investors with opportunities to trade gold in foreign markets such as Switzerland and Vietnam.

For year 2010, BCEL will open 4 more branches within the Lao PDR as part of its strategy to make inroads into the domestic markets.

2) As part of its 20th anniversary celebration, **Joint Development Bank (JDB)**, the first joint State-Private enterprise of the Lao People's Democratic Republic, moved to its new head office on 23 November 2009. The new headquarters, a 6-storey building with modern amenities, is located at No. 82, Lanexang Avenue, Chanthabouly District, Vientiane capital. JDB has obtained approval from Bank of Lao, PDR to issue JDB Visa Debit and Credit Cards. They have also adopted Electronic Data

Capture services (EDC), which are in conformity to EMV standards (Europay Master Card and Visa).

- 3) **Lao-Viet Bank (LVB)**, established in 1999, is a joint venture between two leading Banks of Vietnam and Laos (Bank for Investment and Development of Vietnam and Banque Pour Le Commerce Extérieur Lao). Riding on the rapid development of the Laos and Vietnamese economies in recent years, LVB has embarked on a new strategy of expansion in all areas of business activities, including extending their distribution channels. At the end of 2009, LVB has added three branches in Laos (in Vientiane, Savannakhet and Champasake), and two branches in Vietnam (in Hanoi and Ho Chi Minh City).

- 4) **Australia & New Zealand Bank, Vientiane (ANZV)** has been awarded the "Bank of the Year" for being the most outstanding bank in Laos throughout 2009.

ANZV is a privately owned joint venture bank with its headquarters in Vientiane, the capital of the Lao PDR. ANZV was established in 1993 as the Vientiane Commercial Bank Ltd, the first and leading privately owned commercial bank in Laos. In September 2007 ANZ Bank of Australia and the IFC of the World Bank Group purchased a majority stake in the Vientiane Commercial Bank Ltd and it was renamed to ANZV.

ANZV has registered capital of USD 14 M and is 90% owned by ANZ Bank of Australia. The remaining 10% of ANZV is owned by IFC of the World Bank Group.



PHILIPPINES

On 13 November 2009, the Securities and Exchange Commission approved the registration of the **National Association of Securities Broker Salesmen, Inc also known as NASBI**. NASBI is a non-profit association of individual broker salesmen organized by the Bankers Association of the Philippines (BAP) with assistance from other organizations which included the Money Market Association of the Philippines (MART) and the Investment House Association of the Philippines (IHAP).

NASBI can now take on the lead of promoting the interest of broker salesmen, in particular, and the investing public, in general. Unlike institutions-based membership such as the BAP, MART or IHAP amongst others, NASBI's membership is on an individual basis. Membership is targeted at those who have passed the examination and have been licensed as securities salesmen by the SEC. It is envisioned that MART will remain the prime mover and anchor of the dealers market, and NASBI will be the enabler, guide and advocate for the broker and salesmen.



SINGAPORE

- 1) **DBS Bank** received a licence to open its first branch in Ho Chi Minh City.

- 2) **Mr Koh Boon Hwee** has stepped down as Chairman of DBS after more than 4 years in the job. He is replaced by DBS Board member and veteran banker, Mr Peter Seah Lim Huat.

- 3) **Oversea-Chinese Banking Corporation Limited (OCBC Bank)** has acquired the Asian private banking business ING Bank N.V, comprising Singapore-based ING Asia Private Bank Limited and its subsidiaries (together, "IAPB"). IAPB is now a wholly-owned private banking subsidiary of OCBC Bank and has been re-named Bank of Singapore Limited ("Bank of Singapore").

The private banking businesses of IAPB and OCBC Bank are being combined and operating as Bank of Singapore. This will result in the creation of a leading Asian private bank with over 7,000 clients and total private client assets under management ("AUM") of approximately US\$23 billion. It will also occupy a unique position as the only dedicated private bank that is headquartered in Singapore.

- 4) **United Overseas Bank (UOB)** will partner Vietnam National University, Hanoi, to launch an interest-free loan programme for Vietnamese undergraduates, known as the UOB Vietnam Student Fund. It is the first such loan programme offered by a foreign financial institution, and 700 students are expected to benefit over three years.



THAILAND

TMB Bank Public Company Limited announced the appointment of Mrs. Saowanee Kamolbutr, currently a Board member, as Chairperson of the Board of Directors effective from 18 December 2009. With this appointment, Mrs Kamolbutr became the first woman head of a bank in Thailand. Currently, she is Deputy Permanent Secretary of the Ministry of Finance.

Founded on 8 November 1957, TMB Bank Pcl. operates a commercial banking business under a license granted by the Ministry of Finance, and with consent given by the Bank of Thailand. It also operates a securities business licensed by the Ministry of Finance and agreed to by the Securities Exchange Commission.

EDITORIAL TEAM

ABA SECRETARIAT

Mrs Teh-Kwok Chui Lian, Secretary General
Mrs Wong Wai Fong, Executive Officer

LIAISON OFFICES

The Brunei Association of Banks

Mr Abdul Razak bin Abdul Malek, Chairman
Mr Pierre Imhof, Vice-chairman
Mr Javed Ahmad, Secretary & Treasurer

The Association of Banks in Cambodia

Mr Phan Ying Tong, Chairman
Mr Stephen Higgins, Vice-Chairman

PERBANAS

Mr Sigit Pramono, Chairman
Mr Farid Rahman, Secretary General
Mr Richardus Eko Indrajit, Executive Director

Lao Bankers' Association

Mrs Bounta Daravy, Chairman
Mr Sounthone Sinthapaseuth, Secretary General

The Association of Banks in Malaysia

Dato' Sri Abdul Wahid Omar, Chairman
Ms Chuah Mei Lin, Executive Director

Myanmar Banks Association

Mr U Than Nyein, Chairman
Mr U Khin Maung Aye, Secretary General

Bankers Association of the Philippines

Mr Aurelio R. Montinola III, 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 Apisak Tantivorawong, Chairman
Dr Twatchai Yongkittikul, Secretary General

Vietnam Banks Association

Dr Pham Huy Hung, Chairman
Ms Duong Thu Huong, 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 Mrs Teh-Kwok Chui Lian, 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
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 accelerate economic growth of the ASEAN countries through collaboration among its member banks;
- to promote the development of the banking and financial systems and profession in ASEAN countries;
- to foster friendship and cooperation among bankers in the ASEAN countries;
- to activate collaboration of its institutions and to provide assistance to one another when necessary; and
- to identify growth opportunities for ASEAN banks and to promote their common interest.

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:

- 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 chaired by The Association of Banks in Malaysia.

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