

**ABS Annual Dinner, 27 June 2017**  
**Speech by outgoing ABS Chairman Mr Wee Ee Cheong,**  
**Deputy Chairman and CEO, UOB**

Good evening,

Mr Heng Swee Keat, Minister for Finance;

Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore and his colleagues;

Fellow council members;

Distinguished guests, ladies and gentlemen.

A very warm welcome to all!

**Macro backdrop; urgency for change**

It is with mixed feelings that I am standing here today. It has been an honour to chair ABS for the past two years and I am grateful for all your support. This is the fourth time I am chairing ABS. And even as a veteran, the job hasn't got any easier!

So it is with relief that I am once again, handing over the baton this evening to our incoming chairman, Piyush. That's the beauty of our ABS relay team...seamless transition and continuity.

I am glad we have three local banks to share responsibilities of the chairmanship. While each bank takes its turn to contribute its fair share for the country, the other two can take a bit of a breather. But even so, it is at a pace that leaves us panting!

Timing-wise, recent economic data suggest that the global economy is on a firmer footing. So I am fortunate to be in a position to pass the baton when things seem to be looking better. No pressure, Piyush!

The last two years have been choppy for us as an industry. In fact, it was just within the last one year that we had witnessed defining moments in the geopolitical scene. The spotlight was on Brexit, then the US elections, then Brexit again earlier this month!

The effects of anti-globalisation sentiments and shifting geopolitical dynamics are still playing out.

Closer to home, the industry grappled with the impact of a China slowdown and oil and gas sector issues, amid digital disruption and fast-changing market dynamics.

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All these have heightened complexity, uncertainty and volatility in our business. And these are set to continue.

On the brighter side, long-term fundamentals in Asia remain sound. Structural trends of increasing connectivity (through regional initiatives such as the ASEAN Economic Community and Belt and Road), rising middle class and intra-regional business flows, continue to drive growth.

And Singapore has an edge, or at least a head-start, in being a gateway to the region for now. The country has never wavered in its commitment to overcoming challenges, seizing opportunities and beating the odds. As a small nation with limited natural resources, Singapore has always been driven to stay relevant to the world.

This enterprising spirit is not new to us. But it is even more crucial now with the rapid pace of change and intensified competition challenging our continued role and relevance today.

The same applies for us in banking. And the industry recognises this urgency. Through the ABS, we have come together with other stakeholders as we strive to re-invent ourselves as an industry.

These efforts tie in with the government's drive to transform the Singapore economy and to ensure we are future-ready. In this regard, we appreciate the work done by the Committee for Future Economy and the Future Economy Council, led by Minister Heng Swee Keat. These set the tone and framework for specific plans to be developed with industry players.

We also appreciate MAS' progressive efforts in steering the industry, including its approach of 'smart regulation' as shared by Mr Ravi Menon earlier this year. Indeed, striking the right balance between growth and stability, enterprise and discipline, is key to building a sustainable ecosystem.

We look forward to working with all of you, to play our part in shaping our collective future.

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**ABS' key initiatives**

Over the past two years, ABS stepped up efforts to support the banking industry in its next phase of growth. We undertook initiatives to improve customer experience in keeping with their changing lifestyles, while safeguarding their interests and equipping our people for the future.

Let me highlight some key developments.

**Enhancing customer experience through innovation and digital payments**

Since our last AGM, we have made further progress towards Singapore's vision to be a smart financial centre. The inaugural FinTech Festival in November last year was a successful showcase of Singapore's ambition and potential as a leading innovation and FinTech hub. It attracted more than 13,000 participants from more than 50 countries, and there are plans to more than double the scale of the event this year. Let's all play our part in supporting this flagship event!

To promote sharing of ideas and expertise among ecosystem partners, ABS helped organise various platforms including conferences, hackcelerators, fintech awards etc. To encourage further financial innovation, ABS issued an API playbook developed in consultation with MAS. This guides industry players in developing and adopting an open API-based system architecture.

I spoke last year about various initiatives to build an electronic payments society. Since then, more than 20,000 Unified Point of Sales terminals have been deployed at retail outlets, with more to be installed in the next two years. This improves the payment efficiency and experience for consumers and merchants.

To enhance commuters' convenience, ABS has been working with the Land Transport Authority to enable the use of contactless credit and debit cards for public transport fare payments, the first country in Asia to do so.

Yet another milestone is reached tonight, with the launch of the much-anticipated real-time funds transfer service, using just the customers' mobile number, NRIC or FIN number.

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More milestones will come soon, with banks working intensely with MAS and government agencies to provide seamless and smart solutions across various activities, including account opening, KYC, payments, wealth management, trade finance and so on.

While pursuing various initiatives in the race to be a smart financial centre, let's not lose sight of our ultimate objective. It is not about pursuing technology or efficiency for its own sake, but to achieve sustainable business growth and quality of life for customers.

**Safeguarding customers' interests; tightening risk management**

Advances in technology and innovation have led to greater speed, ease and convenience. This opens up borderless opportunities for everyone, including criminals. Innovation and disruption take on different meanings when applied with ill intent. Indeed, technology has allowed crimes to be committed quickly, easily and on a large scale, impacting individuals, industries and countries. Recent incidents, from ransomware to terrorist attacks, are stark reminders.

Strengthening our security systems to counter such threats remains a top priority. The industry is taking a proactive, collaborative and multi-pronged approach. Because whether it's fighting terrorism, financial or cybercrimes, teamwork and coordination are key. We are only as strong as our weakest link.

ABS works closely with industry partners and government agencies to share information, expertise and best practices, not just within but across countries, through forums such as the ABS-MAS Technology Risk Conference in November last year.

We introduced various risk management guidelines and stepped up efforts to engage and to educate the public on cyber risks. We know it's not about 'if' but 'when', and how frequent and significant the impact will be when the attacks come. So the focus is not just to prevent but to detect, respond and recover promptly.

We need to be prepared, to be able to manage in times of trouble.

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**Preparing our people for the future**

We also need to be prepared, in times of peace. For instance in anticipating changes to jobs in our industry.

ABS has been working closely with MAS, IBF and NTUC to up-skill and re-skill our people. The Financial Industry Career Advisory Centre set up last year continues to be active in providing career guidance and job placement for staff affected by restructuring. Concurrently, MAS and ABS are working with local institutions on curriculum development and internships, to nurture a pool of professionals for growing sectors, such as cybersecurity.

Perhaps more importantly, beyond skillsets, the mindset of our people has to be focused on the future.

There are many reports on country competitiveness. Recent ones, I noticed, on innovation and digital, ranked Singapore among the top globally. We did well in areas relating to capabilities and infrastructure. Very encouraging.

However, we ranked much lower in business agility, adaptive attitudes and the nimbleness to translate opportunities to creative outputs. These seem counter-intuitive, especially when nimbleness should be a big advantage for small nations.

We have talent and resources from the public and private sectors. But we need agility and a can-do spirit to succeed in a world where no one is standing still. Perhaps we need to embrace ambiguity more readily, to make swifter decisions in the face of incomplete information and to take more calculated risks.

Let's put our skillsets and resources to good use, with the right mindsets. We should not be afraid to fail, and to keep trying. After all, as an industry and as a country, we have seen how over the years, we have overcome one challenge after another, and emerged the stronger for it.

**Strengthening regional connectivity**

In strengthening the resilience and vibrancy of Singapore banking, the ABS continues to play its part in promoting regional connectivity in Southeast Asia, through its role in the ASEAN Bankers Association.

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As chairman of the permanent committee on finance, investment and trade, ABS has organised various workshops and sharing sessions with regional peers. Topics such as trade internationalisation and digital economy will come into greater focus as Singapore assumes the chairmanship of ASEAN next year. There is much we can learn from one another.

**Collaboration for greater good; Acknowledgements**

We see it as our duty to collaborate, to share and to help one another, in our interconnected world. We each have to play our part, to embrace our collective responsibility, in order to realise our fullest potential in the larger community. These tie in with the mission of ABS, to bring together industry players for the greater good.

That spirit of teamwork and inclusiveness is all the more crucial as the industry transforms itself for the next stage of growth, where the pace of change will only accelerate. The mindset and actions of everyone in this room are what will determine our future. We must be the change we wish to see in the world.

Together, let's continue to uphold the trust and confidence in our industry – and to build on our reputation for integrity, efficiency and sustainable growth.

On this note, I thank council members, member banks, the various committees and taskforces, and our partners for your contributions.

My deepest appreciation to Ai Boon and her team at the ABS secretariat, for their tireless dedication and support.

Thank you all, for your passion and commitment to our cause! It is now my privilege and pleasure to hand over to Piyush. Welcome on stage, Piyush!

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