

MEDIA RELEASE

FOR IMMEDIATE RELEASE

EXERCISE RAFFLES: FINANCIAL INDUSTRY SUCCESSFULLY CONDUCTS LARGE-SCALE INDUSTRY-WIDE BUSINESS CONTINUITY EXERCISE

Singapore 10 May 2006.

The Association of Banks in Singapore (ABS) announced that a large-scale real-time industry-wide business continuity exercise for the financial sector was successfully conducted on Tuesday, 9 May 2006.

Exercise Raffles, as it was named, saw more than 170 financial institutions, including banks, the Singapore Exchange (SGX), the Monetary Authority of Singapore (MAS) as well as infrastructure providers such as SWIFT and the Singapore Automated Clearing House, participating in the half-day exercise from 2.00 pm to 5.30 pm.

In the light of growing threats of transnational terrorism, Exercise Raffles was designed to test industry-wide coordination and response to a major operational disruption affecting the financial sector as a result of a terrorist attack. In addition, it allows participating institutions to exercise their own crisis management and business continuity plans.

The Exercise was modelled after UK's Tripartite Authorities' market-wide exercise in November 2005. We understand that Singapore is the only financial centre outside of London to have conducted an exercise of such magnitude and complexity.

The scenario was as follows: Yesterday, Singapore's financial industry was rocked by a major terrorist attack. Reports of explosions began filtering through at around 2.15 pm. Evacuation and cordons were set up

by police and transport was halted. Key financial indices plummeted in response.

The exercise scenario was delivered in real-time through news broadcast and websites as well as telephone injects simulating a broad range of customers, regulators, media and security issues. ABS engaged KPMG to help plan and facilitate the exercise.

This year's Exercise follows Singapore's first industry-wide crisis coordination table-top exercise conducted in May 2005 involving 12 major banks and observers from the MAS, SGX, Banking Computer Services, The Government of Singapore Investment Corp, Infocomm Development Authority of Singapore, Singapore Police Force and Singapore Civil Defence Force.

From our "on-the-day" poll of participants:

- 99% said the objectives were met
- 93% said the exercise was realistic and authoritative
- 98% said valuable learning points were identified
- 93% said they were keen to be involved in future exercise

"Exercise Raffles has significantly raised the bar. It is not restricted to only banks, but is extended to the entire financial industry including the Singapore Exchange, brokers and financial service infrastructure providers, as well as major recovery facilities vendors. The scenario this round has also been made more realistic, involving incident management, civil contingencies, as well as operations, market movements and reactions," said Mr Kenny Seow, Chairman of the ABS Standing Committee on Business Continuity Management.

"As an international financial centre, Singapore must be well prepared to handle crises and be able to bounce back quickly. I am glad that our financial institutions here take business continuity planning seriously, and commend the ABS for initiating this Exercise. The Exercise showed that our financial institutions are adequately prepared to respond to

disruptions caused by such a crisis. MAS will build on the experience of this Exercise and continue our work with the financial institutions to enhance robustness of the plans.” said Mr Heng Swee Keat, Managing Director, MAS.

Summing up, Mrs Ong-Ang Ai Boon, Director of The Association of Banks in Singapore said: “ABS’ member banks regularly conduct crisis and disaster simulation exercises to test their ability to respond to unforeseen incidents and events. However, the increasing frequency of wide-scale events, ranging from natural disasters and pandemic illnesses to acts of terrorism, has shown that our member banks’ success in business continuity is dependent on their peers, counter-parties, infrastructure providers, regulators and the civil authorities. Exercise Raffles has thus allowed individual organisations to test and validate not just their own crisis management and business continuity capability but also interdependency and concentration risk issues with other participating institutions which otherwise would not be possible in a standalone BCP exercise.”

ENDS

Contact details:

Ong-Ang Ai Boon, Mrs
Director
The Association of Banks in S’p
Tel : (65) 6224 4300
E-mail : banks@abs.org.sg

John Lim, CEO
Reputation Management Associates
Tel: (65) 6298 2520
Mobile: (65) 9756 3582
E-mail: jlim@reputation.com.sg

About The Association of Banks in Singapore:

The Association of Banks in Singapore (ABS) plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government

authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today, ABS has a membership of 107 local and foreign banks. Further information on ABS is available on the website: www.abs.org.sg.