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ASIA-PACIFIC FINANCIAL CRIME CONFERENCE & EXHIBITION
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RAFFLES CITY CONVENTION CENTRE
RAFFLES BALLROOM**

**Distinguished Guests,
Ladies and Gentlemen,**

It is a pleasure to be here with you this morning in my capacity as the Chairman of The Association of Banks in Singapore (ABS) and on behalf of the Association, I extend a very warm welcome to all of you to the Asia Pacific Financial Crime Conference and Exhibition 2007.

The Association of Banks in Singapore (ABS) took the lead in 2004 to organize the inaugural Asia Pacific Financial Crime Conference and Exhibition to further the awareness and the promotion of best practices in financial crime prevention. I am very glad to see that this annual conference has been increasingly successful and is now into its fourth year.

This year, we have more than 350 participants representing more than 70 organisations. We also have participants from North America and Europe as well as from Hong Kong, Malaysia, Indonesia and the Philippines. Again, a warm welcome to all of you visiting Singapore.

The list of participants and the organisations represented here has been growing each year, clearly demonstrating the increasing attention that organisations are paying towards combating financial crime.

Most of you come from the legal, compliance, audit, risk and regulatory functions of your organisations where you are at the forefront of the crime prevention effort. Given your areas of expertise, you are best placed to understand the challenges and the nature of the threats that we are up against – not only is the value of fraud transactions rising, the manner in which they are conducted is also increasingly more sophisticated. Rapid changes in communication and technology have opened up many possibilities for criminals and

fraudsters to carry out traditional financial crimes in new ways.

Allow me to touch on some key trends:

Based on KPMG's latest global anti-money laundering survey released in July this year, money laundering flows each year by drug dealers, arms traffickers and other criminals are estimated to exceed US\$1 trillion (S\$1.52 trillion). In response, regulators around the world have stepped up anti-money laundering (AML) efforts to contain such flows.

Another disturbing trend is the rising incidence of identity theft. Gartner's recent study (March 2007) shows that from mid-2005 to mid-2006, about 15 million Americans were victims of fraud, stemming from identity theft – an increase of more than 50 percent from the estimated 9.9 million in 2003. Closer to home, we continue to defend ourselves and our consumer customers against ‘phishing attacks’. These fraudulent acts involve the unauthorized use of names and

websites of banks and government agencies to deceive recipients into disclosing personal financial information.

Moreover, the modus operandi for financial crimes has become increasingly complex, and cross-border. For example, plastic card data is now being :

- stolen in one country;**
- sold overseas; and**
- uploaded onto counterfeit cards for eventual resale in a third country to realize the funds either through cash withdrawals or illicit purchase of goods.**

And while banks have generally increased perimeter security to prevent financial crimes, we are concurrently witnessing a worrisome trend of employee / insider fraud. This ranges from taking out loans with falsified documentation to selling confidential financial data for fraudulent purposes.

In the face of these threats, we need to keep ourselves continuously up-to-date on new developments, as well as to avail ourselves of the latest technology to defend

against such crimes. This conference aims to update us on the developments in the field with various presentations and panels of experts. At the same time, it provides participants an opportunity to network with each other to share experiences.

This year we are privileged to have with us many industry experts from both Singapore and overseas to share their knowledge with us. Other than many local seasoned practitioners from banks, audit practices and the Monetary Authority of Singapore, we also have distinguished guest presenters from law enforcement agencies, including :

- Mr Ian Dunn from New Scotland Yard's National Terrorist Financial Investigation Unit, Counter Terrorism Command**
- Mr Ian Wong from Singapore's Commercial Affairs Department**
- Mr David Cope, Detective Chief Inspector from Narcotics Bureau, Hong Kong Police**

I would like to especially thank them for taking time from their hectic schedules to share their experiences with us.

Combating financial crime is clearly not only the responsibility of regulators and governments; it must be a joint effort of both the public and the private sectors working hand in hand to make our world a safer place. It is appropriate that the theme of this year's conference is "Enhancing Public-Private Sector Partnership in the fight against Financial Crime".

One thing is becoming very clear - firms adopting a "tick the box" approach just to minimize regulatory risk will continue to be vulnerable to financial crimes, as criminal activities inevitably evolve more rapidly than the regulatory regimes. The industry is evolving from a "tick the box" approach to an intelligence led, alert-driven, Risk-Based Approach to mitigate financial crimes. Risk-based approaches aim to tailor defenses to the level of risk implicit in our businesses, thereby ensuring a more

cost effective and appropriate response to the threats we face.

For risk-based approaches to work most effectively, there must be a strong partnership between the private and the public sector. In this conference, various speakers will highlight, often with case studies, the importance of a public-private sector partnership. In particular, Mr Graham Hooper, Group Head AML of Barclays Bank, UK will be sharing with us the bank's experience as one of the six major banks in the UK which have signed a Memorandum of Understanding with the relevant UK Law enforcement agencies to work in partnership to combat the financing of crime and terrorism.

The public and private sectors both share the common objective and interest in preventing criminals and fraudsters from infiltrating the financial services industry. It is therefore important that this common interest be effectively engaged.

Through the presentations, plenary sessions and informal interactions over the next few days, I am confident that you will be able to take away invaluable insights to aid you in your efforts to prevent financial crime.

I wish you all a most stimulating and fruitful conference.

Thank you.