

**The Association of Banks in Singapore**  
**34<sup>th</sup> Annual Dinner**  
**Address by Mr Wee Ee Cheong, Outgoing ABS Chairman**  
**Friday 29 June 2007**

Mr Lim Hng Kiang, Minister for Trade and Industry and Deputy Chairman of MAS,  
MAS Officials,  
Fellow ABS Council Members,  
Distinguished Guests,  
Ladies and Gentlemen.

Let me first extend a warm welcome to our guest-of-honor, Mr Lim Hng Kiang.

Thank you for joining us tonight, Mr Lim.

Your presence here gives us a good opportunity to record our appreciation for the Government's support, and especially its growth-oriented policies.

Today, UOB completes its two-year term of office as Chairman Bank.

Earlier this evening, the chairmanship of ABS was handed over to OCBC, represented by Mr David Conner.

Congratulations, David. I know all of you will continue to give David and his team, the full support that you have given me.

It's been an exciting and fruitful two years for the banking community.

Interestingly, as we gather here this evening, next week marks the 10<sup>th</sup> anniversary of the Asian financial crisis, one of the most severe economic downturns post-World War Two.

Ten years on, we can say that the painful restructuring processes have made the Asian financial system more stable and resilient.

But new challenges have evolved. Globalisation and technology have far-reaching impact on how banking business is conducted. Increasing speed and dissolving borders is the name of the game. Banks are already collaborating, complementing ....yet competing, all at the same time. But with the increasingly flat nature of the world, market players need to work even closer - and faster - to satisfy customers. After all, this is the internet age of instant gratification.

Every institution, every country, hopes to carve out something uniquely theirs. And the key is to constantly challenge mindsets, constantly stretching paradigms. Singapore's economic change is one example. Two years ago, casinos were just a debate. Today, the two upcoming Integrated Resorts, along with the Formula One race, have unleashed a buzz of

optimism. Along with the flush global liquidity conditions, global fund managers and expatriates are arriving in large numbers. And many are reaping the fruit of the island's economic transformation – including many of you sitting here this evening.

In the region, we are looking at a rising China and India. Free trade agreements. Growing intra-Asian trade and closer economic cooperation. We are moving towards a so-called 'regional nation'.

All these factors should add up. Some say we are on the eve of an unprecedented boom, led by the convergence of new positive economic forces.

But the unprecedented environment also presents unprecedented risks.

Much has been discussed about global imbalances, especially liquidity and surging asset prices. The question is: if global growth starts to moderate in a more significant way, how would asset prices respond? How would it impact the banking sector? Are we really more prepared now compared to 10 years ago when we were hit by the Asian crisis?

While many factors are beyond our control, we must continue to be vigilant, we must continue to diversify, and we must continue to invest. Only with such commitment can we achieve long-term growth and sustainability. Industry players certainly have their work cut out for them.

ABS, on its part, will continue to play a role to help strengthen the resilience and relevance of the industry. Over the years, ABS has become a more integral part of the banking industry here. There are more industry demands and challenges than ever before. And I believe ABS has kept up well with these rapid changes. But its core mission remains the same. Collectively and in partnership with MAS, the banking community would work towards promoting the interest of the Singapore financial industry.

I am delighted that during my tenure, we have, as a group, made good progress towards that goal.

Full details of our activities are found in the Annual Report.

Allow me to highlight a few of them:

- On the external front, key events last year were the IMF/World Bank meetings in September and the Asean Banking Conference and Council Meeting in November. I'm happy to say that member banks rose to the challenge. Collectively, we helped to showcase Singapore as a vibrant financial centre. Well done, fellow bankers!
- While busy growing our business, banks have also stayed vigilant. As the saying goes, failing to prepare is preparing to fail. With the increasing threat of terrorism

and pandemics, ABS managed to raise awareness of the need for business continuity management. Not only within individual banks, but also among banks and other market players as a community. We held our first large-scale business continuity exercise for the financial sector in May last year. There is no room for complacency, as we strive to be in a state of readiness at all times.

- In the business of banking, we can't ignore social issues. The Association has stepped up its corporate social responsibility drive. We supported efforts such as credit counseling services and combating child pornography on the internet.
- In serving as the bridge between banks and customers, ABS has been active in consumer education.
- We believe in starting young. Together with MoneySENSE, we launched a 2-year program to educate primary school students.
- We issued guidebooks, for SMEs as well.
- And from this year, ABS will be involved in the Excellent Service Awards led by SPRING Singapore. Banking is very much about service, and we are committed to raising the bar on this front.
- We do recognise this is an ongoing journey. Good thing is, banks are open to improvements. We will continue to monitor feedback and expectations from customers and work towards bridging any gaps.

Overall, I'm glad to say that member banks are working well, with MAS' support, to promote their collective interests.

Of course, we compete too. And as the financial sector prospers, there will be even more intense competition for resources like talent. I'm glad to note that the government and industry are working hand-in-hand to address some of these issues.

Importantly, whether in chasing customers or talent, we must remember we are in the business of trust and reputation. All the more so, in this age of fast-paced changes and information overload.

Banks should continue to uphold that high level of professionalism and integrity that has long been associated with Singapore as a financial centre.

Going forward, I urge members to continue to proactively leverage on the ABS platform to advance their interests for the common good. Do come forth with your feedback and suggestions. Together, let's take the Singapore financial sector to greater heights.

Thank you, council members, member banks, the various committees and taskforces, for your support and all you have done. The council has greatly benefited from your input and well-considered recommendations.

Finally, it gives me great pleasure to show my deepest appreciation to the tireless Mrs Ong Ai Boon. Ai Boon and her dedicated staff of the secretariat have done a great job over the years.

It is now my privilege to hand the baton over to David, our new ABS chairman, and to wish him all the best.

Thank you all!

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