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**Singapore contacts**

**Franck De Praetere**  
Head of South East Asia  
franck.depraetere@swift.com  
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**Fast facts**

**Date**  
15 April 2009

**Delegates**  
385

**Speakers**  
21

**SWIFT partners**

- CityNetworks
- Decillion
- Fiserv
- NewGens
- Petra
- SmartStream
- Sungard

**Global Shockwaves: The Big Test**

The 2009 Business Forum brought the SWIFT community in South East Asia and Singapore together to talk about what's happening in the South East Asian nations, across the region and within the context of the global economy. Throughout the day, it became clear that the community was also there to talk about what they can accomplish by working together.

The capacity crowd of 385 people that attended this third Business Forum in Singapore came from a cross-section of the financial industry, including sales and business managers from the payments and securities markets, IT professionals, corporates, technology, service providers and market infrastructures. They attended the Business Forum to hear from 21 senior speakers about how the industry can manage in the current downturn and to explore specific opportunities in supply chain and trade management, securities, standardisation, payments and cash management.

The theme of the event was "Global Shockwaves: The Big Test," and the consensus at the end of the day was that the South East Asian community, while not shielded from the global crisis, can build on its strengths to emerge from the current slowdown.

A major theme that emerged throughout the day was "back to basics," reflecting the trend of the regional and local banks here to focus on their existing customers' demands for high-quality service and local market knowledge. Perhaps reflective of the fact that the regulators and industry already had dealt with – and come out of – the crisis of 1997 together, the mood of the community at the Business Forum was determined and resolved. As one participant mentioned, "I think we are on the right track."

Ian Johnston, Chief Executive of SWIFT Asia Pacific, observed during the course of the day that the participants were at the event looking for information and understanding. What the Business Forum offered them, he said, is 'the opportunity to continue to interact and see what is happening in their marketplace and how they should be moving forward. Our customers need to make decisions about investment and they need to make decisions about the future of their organisations, so coming together as a group of professionals from within Singapore and more broadly from around ASEAN is giving them the opportunity to share their views, to hear what others are doing and to start formulating plans for their own organisation.'





▲ Ian Johnston, Chief Executive of SWIFT Asia Pacific opens the Business Forum with a warm welcome



▲ The Big Issue Debate panel [from left]: Anthony Oundjian from BCG, Ian Johnston from SWIFT, Nicholas Tan from OCBC, John van Verre from HSBC, Neal Livingston from Standard Chartered Bank



▲ Questions from the floor

### A community comes together

The full-day programme began with two plenary sessions in the morning as well as a chance to hear from the seven SWIFT partners who exhibited at the event about how they support Singapore and other South East Asian institutions to make the most of their SWIFT connections. In the afternoon, the participants chose from a series of workshops that looked at topics ranging from standards to corporate treasury and supply chain management as well as useful 'introduction to SWIFT' for the many first-timers in the audience.

More details, including participant videos and presentations, are available in the South East Asian community on [www.swiftcommunity.net](http://www.swiftcommunity.net).

### We're not there yet but South East Asia will get there

In the opening plenary, the standing-room only audience heard Nicholas Tan, head of group wealth management at OCBC Bank, predict that it's highlight unlikely that liquidity and credit will quickly return to their 2007 highs. Rather, he suggested, best that could be expected would be for a return to 2003 levels, with 1999 levels still a possibility.

The good news for the industry, he said, is that this liquidity will come from the regulated banking sector, and not from the non-traditional (and unregulated) players who contributed to the threefold growth in market liquidity from 2003 to 2007.

Anthony Oundjian, principal at Boston Consulting Group, confirmed that the crisis has wiped out all the gains made since 2003 but pointed to some bright spots for the state of the South East Asian industry. First, he noted a trend to fund loans based on deposits and long-term relationships with customers. Second, he said that the region's banks are already refocusing their specialties to narrow their scope on specific geographies and markets. Third, he pointed to a shift away from risk-oriented products to fee-based activities. All of these trends, said Oundjian, bode well for the national and local players, who are close to the market and can build these close customer relationships.

During the panel discussion that followed, the experts agreed that the industry is moving back to a simpler, relationship-based business model. According to Neil Livingston, managing director and global head of client access at Standard Chartered Bank,



banks have shifted their agendas quite quickly, moving from a product-led strategy to a client-led strategy that places the focus squarely on the needs of existing customers. They are sticking with their current clients rather than looking to take on new ones as well as working closely with the regulators to avoid a compounding liquidity problem and getting behind some of the World Bank and exim bank programmes designed to get trade flowing. Livingston also remarked that “there’s a world of opportunity for the industry to speak with one voice” on the matter of open trade.

John van Verre, head of HSBC Securities Services, agreed: “Stick close to your client, understand your client and go where your client wants.”

In terms of investment for the industry right now, the panelists unanimously said that talent is a priority because it directly supports the trend for servicing clients. Technology investments will continue, however there was no consensus on which technologies. While for OCBC, the investments in mobile and internet banking will continue because these are key to the service demanded by their client base, for others the technology investments will focus more on ways to create efficiencies and drive down the costs of transactions.

### **The ASEAN factor: A new economic community emerges**

In 1997, the leaders of the ASEAN countries agreed on a bold vision for 2020, including creating “a stable, prosperous and highly competitive ASEAN Economic Region in which there is a free flow of goods, services and investments, a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities.” One of the ways that the region is going to accomplish this is by creating the ASEAN Economic Community (AEC) by 2015, a goal that the ASEAN leaders reconfirmed in 2007.

These political statements have implications now for the financial industry, which has been challenged to increase the interlinkages between payment and settlement systems amongst the ASEAN nations.



▲ John van Verre, Head of Securities Services, HSBC



▲ Aribowo, Head of the Payment Systems Policy and Development Bureau, Bank Indonesia





Capacity crowd of 385 delegates



Opinion exchange at coffee break between Franck De Praetere, Head of South East Asia SWIFT and David Soh, Vice President at United Overseas Bank and SWIFT Singapore User Group Chairperson



Robert Chew, Chairman of the IT Standard Committee from the Singapore Standards Council

Aribowo, the head of the payment systems policy and development bureau at the Bank Indonesia, told the Business Forum participants that creating a single market like the AEC “requires many complementary policy measures and infrastructure facilities which are harmonised, standardised, interoperable and even inter-linked across borders.” He drew parallels with the SEPA, TARGET and TARGET2 initiatives in Europe and said that an important lesson learned from them is that the degree of market integration is highly correlated with the integration of the various market infrastructures, particularly for payments and securities settlements.

Two examples where the region is making progress in this area on the way to 2015 is with the new ASEAN electronic trading link between five ASEAN exchanges and with ASEAN Pay, which interconnects ATM and card payments networks across the region. For Indonesia, standardisation is a big part of all these initiatives if the cross-border linkages are to be realised.

### Technology, standards and an introduction to SWIFT

The workshop on standards was designed to educate the Singapore community about XML standards and share practical examples of how FIN and XML coexistence can be managed. Since 1977, the FIN syntax has been used by the financial industry to automate payment, trade, treasury and securities transactions. Franck De Praetere, head of South East Asia for SWIFT, explained that XML (the eXtensible Mark-up Language) was adopted by SWIFT ten years ago to address needs for richer data and improved message structure and representation. To date, despite broad support from software industry, the adoption of SWIFT XML messages (MX) remains marginal in South East Asia, he said. According to Patrick de Courcy, head of markets and solutions for Asia Pacific, SWIFT, the ASEAN community should take note of the SEPA experience in Europe to help them as they ramp up their ISO2022 use.



Robert Chew, Chairman of the IT Standard Committee from the Singapore Standards Council, told the overflow crowd that Singapore runs a national standardisation programme supported by ITSC and National Standards Authority (SPRING). He urged SWIFT members to participate in the Committee's activities, emphasising the role of collaboration in standards initiatives.

The audience got a thorough overview from Robert J. Blair of J.P Morgan about ISO 20022 and why this new syntax matters. According to Blair, having the Singapore CPF agent banks working on market practices was really an important first milestone for MX adoption in a domestic initiative.

Gusrinaldy Akhyar, Head, Settlement & Corporate Action Department from PT Kustodian Sentral Efek Indonesia, the Indonesian CSD, presented his institution's drivers for using SWIFT standards for corporate actions -- primarily automation and service improvement -- as well as an overview of how these market practices work in the context of Islamic banking.

In the technology and interfaces workshop, Anand Bindumadhavan of SWIFT explained the faster time-to-benefits associated with integrating business applications with SWIFT using Alliance Integrator and the subsequent reduction in maintenance costs. Patrick Yeh, head of sales services, SWIFT Asia Pacific, continued with the evolution of the SWIFT support model, introducing the new Standard, Premium and Premium options for customer support.

Shyamal Karmakar, manager of global processing for Bank of India, highlighted an important point, which is that time-zone differences can be one of the major pushes for a resilient un-attended system. Their hub in Singapore supports countries from the far east to the far west -- including China and Japan as well as the US and countries in Europe. He added that the Gateway Single Window has met his requirement for a completely user-agnostic failover mechanism and enthusiastically added that going forward, he is looking at implementing the database recovery option.

"Bank Of India is a classic example of a customer who understands that although resilience comes at a cost, the inherent benefits are paramount," commented Anand, who wrapped up the session with a brief update on the new connectivity models now available that ensure that SWIFT is addressing the lower total cost of ownership needs for its customers.

Many who attended the Business Forum were new to the event or to SWIFT in general, and they took the opportunity of a session run by SWIFT that gave them an abridged introduction to SWIFT by SWIFT experts. According to Derek Kao, head of training for SWIFT in Asia, many of the participants told him



Robert J. Blair, Client Access Channel Management, TS Asia CCM, Treasury & Securities Services—APAC, J.P. Morgan



Gusrinaldy Akhyar, Head, Settlement & Corporate Action Department, PT Kustodian Sentral Efek Indonesia



Shyamal Karmakar, Manager of Global Processing, Bank of India





▲ Liquidity management panel, from left: Aseem Goyal, Head of Payments Markets at SWIFT, Jem Clark, Head of Liquidity Management (East), Standard Chartered Bank Singapore, Gary Chia, Executive Director of Financial Services at KPMG, Peter Akwaboah, Global Head of Treasury Operations, RBS Global Banking & Markets and Patrick de Courcy, Head of Markets & Solutions at SWIFT

that the new MT 202 COV Financial Institution Transfer message is going to being real benefits to the payment market and the community and are glad to see SWIFT has taken steps to make it happen. SWIFT Training is offering a seminar in both classroom and web format on the new standards, with information available from [www.swift.com/training](http://www.swift.com/training).

### It's all about the cash

"It was obvious from the panel discussion that the business environment has changed irrevocably," observed Aseem Goyal, SWIFT's head of payments market, Asia Pacific, who moderated a panel discussion on the topic. "Liquidity management is now considered key to business performance. Organisations throughout the world are paying more attention to it and applying lessons from the present crisis.

Corporate Treasurers, however, face some challenges in getting complete visibility of their cash, which is where SWIFT and the financial community need to work together to ensure appropriate awareness of existing tools and developments of new tools."

Jem Clark, head of liquidity management (east) for Standard Chartered Bank in Singapore, told the panel at a session on liquidity management that he has probably had more management time focused on this issue in the past few months as in the past few years. This makes sense, according to Gary Chia, the executive director for financial services at KPMG Asia Pacific, who remarked that the old models are 'out the window' as both corporates and banks look at strong cash management as critical to their commercial success.

Peter Akwaboah, global head of treasury operations at RBC Global Banking and Markets, agreed: "It's all about getting your funds back as quickly as possible," he said, which makes timing and good settlement processes more relevant than ever before.



▲ Engaging the audiences during the panels



It's where that access to information comes in that SWIFT becomes even more key, said Amar Mehendale, senior product manager for liquidity management at ANZ, noting that almost every request for proposal he sees coming from corporate customers these days includes the need to see transparent, timely and aggregated cash flow details from their banks.

Breaking down the historically siloed approach to liquidity will certainly benefit banks, commented Patrick de Courcy, head of markets and solutions for SWIFT in Asia Pacific, who noted that one of the reasons corporates keep asking for SWIFT is because of their own trend towards more centrally-managed liquidity.

The panelists on the corporate and supply chain management session also focused on liquidity. As Wim Raymaekers, senior market manager for SWIFT, observed, "It's all about visibility on their cash – corporate customers in Asia, just as elsewhere around the globe, are increasingly aware of the solutions available to them in this area and expect their banks to provide that visibility."

The other trend for corporates is multi-banking. When asked if corporates are rationalising their banking relationships or expanding their relationships to more banks, the audience raised green cards to reflect the move towards multi-banking. Duncan Ashford, senior vice president for sales, global payment and cash management at HSBC, said that this is a trend that will continue, adding that for this reason,

his bank is fully supportive of SWIFT's corporate solution.

### Risk and regulation in the securities space

At the work session on securities, Khun Kongkeaw Piamduaytham, group head post-trade services at the Stock Exchange of Thailand (SET) described the various initiatives interlinking regional exchanges and securities depositories, aimed at increasing intra-regional securities investment and liquidity. Terry Gibson, head processing services at the Singapore Stock Exchange, agreed that concepts are becoming concrete and are being converted in real projects, reflecting the increasing market commitment to work together.

Interestingly however is that, when the audience was asked if they thought they would see the ASEAN interlink project amongst the exchanges become reality 'in their lifetimes,' choosing between red (no) and green (yes), the reds won by a big margin, despite everyone agreeing that it was a worthwhile initiative that they support.



Wim Raymaekers, Senior Market Manager, SWIFT and Navinder Duggal, Head of Cash Product Management, Global Transaction Services at DBS Bank



Yanti S Agustin, Asia Pacific Head of Global Trade Services, J.P. Morgan Treasury Services and Duncan Ashford, Senior Vice President, Sales, Global Payments and Cash Management, HSBC



From left: Kongkeaw Piamduaytham, Senior Vice President of Depository and Clearing Division at Thailand Securities Depository, Giles Elliot, Group Product Head of Transaction Banking Securities Services Custody & Clearing at Standard Chartered and Jan Dewaele, Senior Business Manager of SWIFT





From left: Adam Wilson, Head of Securities Market at SWIFT, Terry Gibson, Senior Vice President and Head of Processing Services at Singapore Stock Exchange and Elizabeth Chia, Managing Director of Securities Services at BNP Paribas

Risk management is a top priority, according to Elizabeth Chia, managing director, securities services at BNP Paribas, during the panel discussion, not just for the institutions themselves but as a point of discussion with their customers. She and Giles Elliot, group product head transaction banking securities services, custody & clearing at Standard Chartered, talked about the various internal risk management tools that they have been using and said that increasingly, their customers are asking about them. “We’re seeing a lot more awareness on the part of our customers as to the value of these risk management processes that we have in place,” said Chia.



Terry Gibson and his question of “Do we need more regulation?”

“Do we need more regulation?” was the question put to the audience by Terry Gibson, senior vice president, head of processing services at the Singapore Stock Exchange. The overwhelming response was negative, with panel members highlighting that Asian institutions are adequately regulated and that, furthermore, “self-regulation is definitely not dead.”

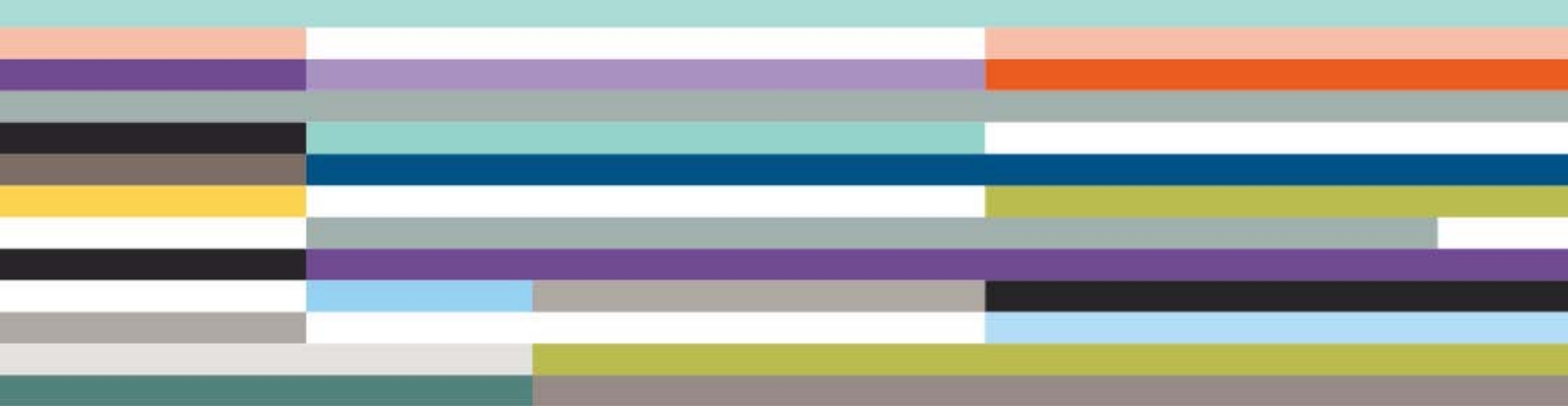


Capturing the voices of our community

**Giving back to the community:**

SWIFT is proud to support Beyond Social Services, a Singapore-based charity that focuses on impacting young lives by providing them access to social, educational and community support programmes. For more information and learn about how you can contribute, please refer to their website at [www.beyond.org.sg](http://www.beyond.org.sg)





More information at the Events page on

To join the community debate

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