

ASEAN Fixed Income Summit (AFIS)

29 September 2014 (Monday)

Sasana Kijang, Bank Negara Malaysia, Kuala Lumpur

Hosted by: Bank Negara Malaysia

Co-Hosted and Organised by: Cagamas Berhad, ACI – Financial Markets Association of Malaysia and Malaysian Association Of Corporate Treasurers (MACT)

Asean Fixed Income Summit 2014

Auditorium, Sasana Kijang

29 September 2014

Welcoming Address by Dato Ooi Sang Kuang, Chairman, Cagamas Berhad

Y. Bhg. Dato' Muhammad Ibrahim, Deputy Governor, Bank Negara Malaysia,

Deputy Governors, Mr. Diwa Guinigundo and Madam Pongpen Ruengvirayudh from the Central Banks of the Philippines and Thailand respectively,

Distinguished speakers,

Members of the Media,

Ladies and gentlemen,

It gives me great pleasure to extend to all of you a very warm welcome to the ASEAN Fixed Income Summit 2014.

The ASEAN Fixed Income Summit or AFIS was initiated to address issues and challenges in promoting liquidity and market transparency in the ASEAN region to achieve further integration of Asean's bond market. The Summit also hopes to gain some insight on the pace of Renminbi internationalisation and the future role of Renminbi in Asia.

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We especially would like to thank our Guest of Honour, Deputy Governor, Dato' Muhammad Ibrahim, whose strong encouragement and support lead to Cagamas together with Financial Markets Association of Malaysia and Malaysian Association of Corporate Treasurers to organize this Summit. It is hoped that this forum will allow participants to gain insights with respect to progress of developments towards ASEAN Financial Integration by 2020, and in particular, the role of the capital market in promoting and intermediating long-term capital flows within ASEAN, Asia and rest of the world.

In addressing the agenda for today's event, the joint organisers and the International Financing Review had put careful thought and consideration to bring together policy makers, regulators, market participants and industry specialists to exchange views, propose recommendations and possibly chart the future developments of the fixed income market in Asia.

This summit will address the current development of the cross border bond market in Asia, how to accelerate the pace towards greater integration of the capital markets in Asean from the perspectives of leading issuers, investors, banks and policymakers. Questions on how receptive the region has become to investing in local currency bonds issued from neighbouring nations and what are the impediments will be discussed.

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The timing is opportune, for it coincides with Cagamas' inaugural 1.5billion Renminbi EMTN issuance recently. The EMTN issuance represents a number of firsts for Cagamas, the Malaysian as well as the international bond markets. This is Cagamas' first ever non-Ringgit denominated bond issuance, the largest Renminbi issue by a Malaysian issuer to-date, the largest Renminbi bond in Southeast Asia to-date and the world's first Renminbi bond to be issued by a mortgage corporation. It also marks a significant milestone as the first Renminbi and non-Ringgit denominated bond to be settled via Bank Negara Malaysia's Real-time Electronic Transfer of Funds and Securities System ("RENTAS"), operated and managed by Malaysian Electronic Clearing Corporation Sdn. Bhd. ("MyClear"). This is a testament of our commitment in developing the bond market in the region and we hope that many more such issuances will bloom in the future.

Ladies and Gentlemen,

We are all aware of the need for long-term funding in Asean, for infrastructure and for industries. We are all aware of the need for more efficient intermediaries of Asean's surplus savings. Yet progress has not been very encouraging. Hopefully, this Summit will kick start a more accelerated pace of cross-border bond issuance and investments Asean.

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To today's participants who have come from far and wide, thank you for your kind presence and we hope that you will gain useful insights from our distinguished panel of speakers.

We hope participants will benefit from the exchange of ideas, including ways to overcome real challenges in cross border issuance, such as regional regulation, issuance obstacles and broadening investor appetite for non-domestic securities and currencies. In short, can we progress towards an Asean Asset Class for fixed income soon? Can Asean attain this status by 2020 when the Asean leaders have set the timeframe for Asean Financial integration to be realised.

We are indeed grateful to Madam Zhu Yanlai, Deputy Chief Executive, Bank of China (Hong Kong) Ltd and Dato Dr. Nik Ramlah Mahmood, Deputy Chief Executive, Securities Commission of Malaysia for delivering the keynote addresses in today's summit.

We would like to take this opportunity to thank all our sponsors for their support in making the AFIS a success. A big thank you also to our Host, Bank Negara Malaysia, and the joint organisers, Financial Markets Association of Malaysia and Malaysian Association of Corporate Treasurers.

To kick start the programme, it gives me great pleasure to invite Deputy Governor of Bank Negara Malaysia, Dato' Muhammad Ibrahim to present his Opening Address.