

**WELCOME REMARKS BY
MR HOOKYU RHU
EXECUTIVE DIRECTOR, THE SEACEN CENTRE
AT THE OPENING CEREMONY OF THE
SEACEN COURSE ON ENTERPRISE WIDE RISK MANAGEMENT OF BANKS
*Bali, Indonesia, 3 – 8 May 2015***

Mr. R. Mirmansyah
Head of Risk Management Department
Bank Indonesia

Mr. Doni P. Joewono
Head of Human Capital Development Group
Bank Indonesia

Senior Officials from Bank Indonesia

Distinguished Resource Persons

Course Participants

Ladies and Gentlemen

Good morning,

On behalf of The SEACEN Centre, I would like to extend to all of you a cordial welcome to the **SEACEN Course on Enterprise Wide Risk Management of Banks.**

It is my pleasure to begin this Opening Ceremony by thanking our gracious host, Bank Indonesia, for the excellent arrangements and warm hospitality in organising the Course. I would like to express our deep gratitude to Mr. R. Mirmansyah, Head of Risk Management Department, Bank Indonesia for taking time from his busy schedule to officiate the Opening Ceremony. Our deep appreciation also goes to Mr. Doni P. Joewono, Head of Human Capital Development Group,

Bank Indonesia who has kindly made himself available to join us at the welcome dinner this evening, hosted by Bank Indonesia.

We also wish to thank the members of Bank Indonesia Organising Committee under the guidance of Mrs. Kristin Endah Condrowilastuti, Deputy Director of Human Resources Department. The team has been working in partnership with SEACEN months before the Course starts to ensure that the Course is well planned and well delivered.

Ladies and Gentlemen

On this opening day of SEACEN Course on Enterprise Wide Risk Management of Banks, I would like to say a few words on what bank supervisors should understand about the real importance of Enterprise Wide Risk Management (EWRM) of Banks.

One of the major concerns for today's complex financial firms is the need to pay closer attention to aggregated risk exposures. However, only a few have adopted sufficiently sophisticated approaches for considering how multiple risk exposures might interrelate and combine, placing the enterprise at dangerously high levels of enterprise-wide risk. A successful EWRM process can help meet the challenges of addressing the complex portfolio of risks arising from rapid growth, strategic planning, constrained information systems, among numerous other potential threats facing financial enterprise.

EWRM is recognized as a broad framework that provides an overall, comprehensive and ongoing assessment of the level and trend of banks' risk profiles. EWRM encompasses banks' management and governance structures, systems and controls and other infrastructure related to banks' identification, measurement, management, monitoring and control of risks. As such, the quality and effectiveness of EWRM frameworks of banks need to be regularly and properly assessed in accordance with recognized sound risk management practices and methodologies. In this regard, financial regulators should be well aware of the critical importance of their job of cross-checking whether the EWRM frameworks of banks are well structured and implemented in order to ensure both the soundness of individual banks and the stability of banking system.

Ladies and Gentlemen

In order to provide effective support for the design and implementation of enterprise wide risk management frameworks it is important that central bank staff continuously enhance their ability to judge the quality and effectiveness of banks' ERM and its assessment capabilities and are always prepared to conduct assessments in larger, more complex banks. The Course curriculum includes interactive discussion and group exercises with fellow participants, supervisory experts, and industry practitioners.

At the end of this Course, the participants will be able to: (i) Identify and assess financial, operational, reputational and policy risks faced by banks; (ii) Describe various metrics that are employed to quantify risk; (iii) Evaluate governance arrangements associated with EWRM structures and describe enterprise wide risk management and governance in banks risk management; (iv) Describe risk management tools (e.g. modelling, risk profiling, heat map); and (v) Analyze best practices, methodologies and approaches to manage risk.

To achieve this objective, we are grateful to our distinguished resource persons from the SEACEN members as well as advanced central banks, supervisory authorities and commercial banks for travelling near and far to share their expertise and experience with participants.

We are pleased to inform that the Course is well participated by 33 well-qualified and suitable participants representing 15 central banks as well as supervisory authorities and government agencies from 13 economies. I am confident that the next five days will be a highly engaging time of learning and sharing of experience.

Ladies and Gentlemen

Allow me to say a few words about The SEACEN Research and Training Centre. Our vision is "To be the Regional Learning Hub for Central Banks in the Asia-Pacific Region". As a Learning Hub, SEACEN aspires to drive central bank excellence in learning for the region, by providing a platform for collaboration for members to synergise efforts in central bank learning among themselves, and across SEACEN's network base. The vision would be achieved through SEACEN's mission in building capacity in central banking and fostering networking and collaboration. With strong commitments from our stakeholders as seen in this learning event, we are confident that our vision will become a reality.

Coming back to this learning event, I am confident that participants will find it both fruitful and rewarding. Above all, the interaction among participants and with resource persons will provide an opportunity to learn from one another and strengthen the bond of friendship and cooperation. I also hope that you will be able to find time to enjoy the culture and beauty of Brunei.

I am pleased to conclude my remarks by once again thanking Mr. R. Mirmansyah , Mr. Doni P. Joewono and resource persons for the valuable contributions and support, and all our member and invitee institutions for nominating suitable participants to the Course.

I wish you a productive and rewarding learning experience.

Thank you.