



## **Keynote Address**

**Yang Mulia**

**Dato Seri Paduka Awang Haji Khairuddin bin Haji Abd Hamid**

**Deputy Minister of Finance & Economy (Economy)**

**Chairman of BDCB's Board of Directors**

27<sup>th</sup> ASEAN Insurance Regulators Meeting (AIRM) 2024

*"Bridging Resilience and Innovation in ASEAN Insurance Landscape"*

Tuesday, 27 November 2024 corresponding to 25 Jamadilawal 1446

Indera Samudra Hall

The Empire Brunei

Bismillah Hir Rahman Nir Rahim,  
Alhamdulillah Rabbil 'Aalameen,  
Wassalaatu Wassalaamu 'Alaa Asyrafil Ambiya E'walmursaleen,  
Sayyidina Muhammadin Wa'ala Aalihee Wasahbihee Ajma'een,  
Waba'du

Yang Mulia

Hajah Rokiah binti Haji Badar

Managing Director

Brunei Darussalam Central Bank (BDCB)

Esteemed ASEAN Insurance Commissioners and Regulators

Delegates and representatives from the ASEAN Secretariat and ASEAN Insurance Council

Senior Officials

Distinguished Guests

Ladies and Gentlemen

Assalamu'alaikum Warahmatullahi Wabarakatuh and a very Good Morning,

1. It is my great honour to be here this morning to officiate the annual gathering for the 27<sup>th</sup> ASEAN Insurance Regulators' Meeting (AIRM) and the 50<sup>th</sup> ASEAN Insurance Council (AIC) Meeting.
2. Let me also join in extending our warm welcome to our overseas guests to Brunei Darussalam. I would also like to express our deepest appreciation for your presence this week and for your leadership in driving meaningful impact and accelerating progress for the insurance industry in the ASEAN region.

3. As the financial sector continues to evolve, this year's theme, "*Bridging Resilience and Innovation in ASEAN Insurance Landscape*", is a reminder to examine the external environment, assess the adequacy of existing safeguards and explore new opportunities, to ensure that the regional insurance landscape is positioned and well-equipped to serve our markets effectively and sustainably.

Distinguished guests,

### **The changing industry landscape amidst the uncertain external environment**

4. We all yearn for the high tide that lifts all boats. The last few years, we have faced extraordinary challenges, including the pandemic, rising inflation, and increasing geopolitical tensions. These issues have created a fragmented and uncertain environment, marked by volatility. Additionally, there are growing concerns surrounding sustainable development goals, highlighting widening protection gaps in our global society.

5. As we know, two transformative forces are shaping many industries, including the financial sector. The first is climate risk, as extreme climate-related events have been more frequent and intense. Given the trends in the affordability and availability of protection against these events, and in view of existing macro-financial linkages and transmissions, the implications can be severe. Vulnerable communities will continue to suffer from financial hardship, while economic stability in the region will be threatened. Support for recovery efforts will add strain to public resources, and overall resilience to future risks could be compromised.

6. The second global trend is digitalisation and its association with the utilisation and deployment of technologies, such as the Internet of Things (IoT), Artificial Intelligence (AI), blockchain, and data analytics. These innovations hold the promise of empowering organisations to make informed decisions and optimise processes that can enhance many public goods. Will the adaptation and innovation in both digital technology and climate

risk management help to build a more resilient future for all? Certainly, the benefits far outweigh the challenges currently faced.

7. While it may sound clichéd, the importance of a robust and well-functioning financial sector, including the insurance industry, cannot be overstated. This sector must be equipped to address the challenges and complexities of both present and future landscapes. Additionally, the industry must uphold the highest standards of soundness, transparency, and inclusivity, remaining responsive to emerging risks and technological advancements that drive sustainable development.

Respected delegates,

### **Brunei Darussalam's ecosystem**

8. The resilience of Brunei Darussalam's financial sector in addressing emerging risks is vital to supporting the nation's evolving economy. As part of its broader mandate, the Central Bank remains steadfast in its commitment to strengthening the resilience of the financial sector while upholding public confidence with the implementation of a balanced regulatory and supervisory framework aligned with international standards and best practices. This framework effectively addresses the complexities of our financial system, which encompasses both conventional and Islamic Institutions, as well as foreign banks and insurers, many of which originate from the region. This arrangement also ensures that local institutions maintain robust standings in their engagements with international counterparts.

9. Given the size of our market, the importance of inter-agency cooperation and stakeholder engagements cannot be overstated, as it ensures a unified approach in addressing emerging issues. Guided by the Financial Sector Blueprint, the Central Bank has

been actively engaging key stakeholders and the industry through various initiatives, including:

- a) digital transformation and cybersecurity. Alhamdulillah, Brunei's financial sector is making significant strides in its digital transformation, with several incumbent institutions already expanding their distribution and services through digital channels. BDCB, through initiatives such as the FinTech Regulatory Sandbox, is also encouraging new entrants to participate in this space. We are also looking forward to the launch of the retail payment hub, led by the National Digital Payments Network (ndpx), which will unlock new opportunities aligned with the country's digital economy initiatives. However, we remain vigilant about cybersecurity threats, the malicious use of AI and other data protection concerns. BDCB continues to work closely with relevant experts to mitigate such risks.
  
- b) As the digital economy evolves and sustainable finance initiatives gain momentum, collaboration across all sectors will be essential to managing these risks and ensuring the protection of vulnerable communities. In support of this, digital literacy has been incorporated into financial literacy programmes through collaborative efforts with various authorities, financial institutions and telecommunication companies, ensuring that consumers and individuals are equipped with the necessary skills to navigate this evolving digital and financial landscape.

Ladies and Gentlemen,

10. The path to a resilient future will involve significant challenges and complex trade-offs. Recognising these trade-offs is crucial for finding effective solutions, as simple policy

adjustments are often insufficient. The most impactful outcomes generally stem from thorough analysis, innovation, and long-term investment.

11. Thank you for your attention. I wish all of you a productive and successful meeting. Have a great session ahead and a pleasant stay in Brunei Darussalam.

Wabillahittaufiq Walhidayah

Wassalamu'alaikum warahmatullahi wabarakatuh