

RENEWED AMBITION FOR **OBAA**

The Overseas Bankers Association of Australia is celebrating its 40th anniversary with a refreshed committee and a revitalised purpose. *KangaNews* speaks to the association's president – Robert Malone, who is also director, financial institutions at China Everbright Bank in Sydney – and John Frangulis, association secretary and treasurer at in1bank in Sydney, about plans to make the association more relevant and contemporary.

About OBAA

The Overseas Bankers Association of Australia (OBAA) was founded in 1985 as a nonprofit membership group dedicated to connecting overseas banking and finance professionals with Australia's banking, commercial and government communities.

Membership is primarily institutional – although individual membership is available – with all employees of member organisations able to access the association's events and resources. As well as international banks active in the Australian market, members include domestic banks that work for

and with their offshore peers, and service providers to the sector.

Having focused primarily on social and networking events, the OBAA is now enhancing its offering by adding educational content to the mix. Recent educational events include a CPS 230 Operational Risk seminar facilitated by SW Accountants & Advisors to kick off the year, a tax roundtable hosted by King & Wood Mallesons in May, and a five-person economics panel discussion sponsored by HSBC.

To find out more, visit www.obaa.com.au.

What role do domestic banks play in the association?

■ **MALONE** They have supported the educational content – like our recent economics update. They also help host events by providing venues at no cost. We're a small, not-for-profit, non-politically aligned organisation. We don't compete with the ABA [Australian Bankers Association] or act as a lobby group. It's about collaboration.

The major banks have product specialists – covering trade finance, debt capital markets and treasury – who have contributed to events, which adds huge value. We have also hosted committee meetings at various bank offices. It makes a big difference when this kind of support is offered by the larger banks.

■ **FRANGULIS** Our membership now includes the four majors and a mix of regionals and international banks. Diversity gives us reach. We're not doing policy or advocacy like the ABA – we're connecting people and knowledge in practical ways. Ideally, we would like all banks with a footprint in Australia to be part of the OBAA.

Robert, you have acknowledged that the last few years have been a challenging period for the OBAA, particularly since COVID-19. What are you doing to rebuild momentum and engagement?

■ **MALONE** We have taken a few approaches. First, we've broadened the membership base to include professional services: legal and accounting firms, trustee and custody providers, and others involved in the capital markets. For

This year marks the association's 40th anniversary. What is its history, purpose and origin, and how has it evolved in recent years?

■ **MALONE** The association was formed in the mid-1980s with 66 foreign banks joining as members. At the first meeting of the new committee, a letter from the federal treasurer, Paul Keating, was read welcoming the formation of the OBAA [Overseas Bankers Association of Australia] and giving the government's official recognition.

The OBAA was founded as a way for international and domestic banks to communicate and collaborate. This was during a period of financial reform and deregulation, so it made sense to establish a formal forum via which banks can engage. The founding document shows a relatively large group of participants and a structured beginning. Since then, the association has gone through various

iterations and leaders. Some of the early history in particular hasn't been well recorded.

In the last five years, the time I've been actively involved, the focus has been largely social: for example periodic networking, a mid-year function and an end-of-year event. But this year we have refreshed the committee including John joining as secretary, me taking on the president's role and a new vice president, with a commitment to reinstating a structured educational component alongside the social programme.

■ **FRANGULIS** Another thing is that the association was originally more focused on overseas banks, as the name suggests. But it has broadened over time. These days, membership is much more diverse. We have the domestic major banks, some regionals and smaller players, as well as many international branches and representative offices.

example, King & Wood Mallesons and Perpetual have recently joined.

We are also trying to attract a wider set of participants to events. Historically, it has been relationship managers and FIG bankers. Now, we want to bring in people from DCM, trade finance, risk, treasury, compliance – basically, anyone with a connection to the offshore banking ecosystem.

■ **FRANGULIS** For a while it was all just social events and, to be honest, after a few years it was fair for members to start asking what they are really getting for their fees. We are now offering education as well: tailored sessions that appeal to various teams within banks and aligned institutions.

This is part of a goal to encourage broader attendance, especially from junior and mid-level staff. This builds engagement and helps create a new generation of connected professionals. It's not just about senior leaders networking.

You mentioned that the OBAA isn't currently involved in lobbying or policy work. Is this something you have ruled out completely or could it evolve to be part of the association's role in future?

■ **MALONE** It's more about resources and scope than philosophy. We are a small, volunteer-run organisation. Everyone involved has a full-time job. If we started doing policy or advocacy work, it would take up a lot more time and would require funding and infrastructure that we don't have.

Also, we are not trying to compete with associations like the ABA or ASF [Australian Securitisation Forum], which already cover the industry's main advocacy needs. We view our role as complementary – creating space for people to connect, learn and exchange ideas, not to represent their views formally to government or regulators.

Having said this, we are engaging with regulators – not to lobby them, but to create educational and interactive opportunities. For example, we are planning small-group sessions with

some regulators including APRA [the Australian Prudential Regulation Authority], AUSTRAC [the Australian Transaction Reports and Analysis Centre] and the RBA [Reserve Bank of Australia].

These aren't public events and we are not submitting formal positions, but they do allow our members to hear directly from the regulators and ask questions.

More specifically, we have recently been in conversation with the RBA about running an industry liaison session where the RBA can hear market feedback and members can better understand how the central bank sees the world.

From what you have said, it seems that the funding and capital markets universe is a big part of what your members focus on. Is this reflected in OBAA's activity?

■ **MALONE** Absolutely. It's one of the main reasons international banks are active in Australia – they are not retail players, they are here to lend, to participate in syndicates and to raise funding through the local market.

We have planned our calendar with this in mind. We want to hold three or four education-focused events each year, and at least one of these will centre on capital markets, DCM or syndicated lending.

We want to bring in specialists from across the banks, including the majors, to speak on panels and share insights. The goal is to help participants better understand how the local market functions and how it connects to offshore funding platforms.

■ **FRANGULIS** It is also a good way to increase cross-bank engagement. When you get product specialists in the room, they bring different perspectives. This kind of diversity deepens the conversation and it's great for junior and mid-level staff who don't always get access to this type of discussion.

Do you expect to see further growth in offshore banking activity in Australia, for instance new entrants

and potentially even more diversity of origin?

■ **MALONE** Yes, I think so. Honestly, it surprises me a little – given Australia's population size, one might expect the market to be close to saturation. But there still seems to be space. Banks from China, Taiwan, Korea, Singapore, India – they are all represented, and more are looking to go through the licence process.

This is partly driven by migration and trade. As more people and capital flow between Australia and Asia, it makes sense for these institutions to want a presence here – even if it's just a branch or representative office.

■ **FRANGULIS** My view – and it's a personal one – is different. I think regulators are becoming more cautious. It's harder to get a banking licence than it was five or 10 years ago. But at the same time, there is interest from countries like the Philippines and Malaysia. There's a growing diaspora here, and local banks want to serve these communities – especially on the business and remittance side.

We have talked around it throughout the discussion, but let's finish by putting it clearly: what role do offshore banks play in the Australian market today?

■ **FRANGULIS** They are important – and I think sometimes this gets overlooked. Each institution brings something different. Some are here for trade finance, others for wholesale lending or DCM. Many are here to support companies or individuals with links back to their home markets.

We have members who help Australian businesses access services in Italy, Singapore and India among many others. There is a huge amount of cross-border economic activity and these banks play a crucial part in facilitating it.

International banks don't just bring capital – they bring expertise, networks and perspectives that enrich the local market. This is why this association matters, and why we think it has a growing role to play. •