

International Public AMCs Forum
Seminar on How to run the Asset Management Modality - Practices and Application
22-24 April 2015
Pattaya, Thailand

Hour	Day 1	Day 2	Day 3
9:00 to 10:30	<p style="text-align: center;">Participant Registrations 8.30am - 9.00am</p> <hr/> <p style="text-align: center;">Welcome and Opening Remarks 9:00am – 9.10am</p> <hr/> <p style="text-align: center;">Official Photo 9.10am – 9.15am</p> <hr/> <p style="text-align: center;">9.15am – 9.45am Keynote Address by Arief Ramayandi – Asian Development Bank</p> <p style="text-align: center;">"Asian Development Outlook 2015: Financing Asia's Future Growth"</p> <hr/> <p style="text-align: center;">9.50am – 10.30am Lessons of Macro-financial vulnerability Junkyu Lee – Asian Development Bank</p> <p style="text-align: center;">"Asian economic developments, financial integration and their policy implications"</p> <hr/> <p style="text-align: center;">10.30am – 12.30pm A Chronology of AMC Experience Lead Speaker: Gary Gegenheimer Facilitator: Junkyu Lee</p> <p>Looks at global AMC experiences, including the Asian Financial Crisis and the aftermath of other financial crises which the AMCs had to resolve. Also discusses the NPA recoveries experience in the US (RTC and FDIC), in Europe (Nordic, Eastern Europe, Western Europe) and in Latin America. Compares and contrasts the effects of policy measures, and review how the strategic objectives of each AMC affected the recovery of distressed assets</p>	<p style="text-align: center;">Lecture for NPAs Purchase and Management Gary Gegenheimer Facilitated by: Arief Ramayandi</p> <p>1. Legal & Regulatory Framework</p> <ul style="list-style-type: none"> • Current practice for managing NPLs • Legal & regulatory framework for managing NPLs • Financial and accounting issues including true-sale treatment • How does the legal & regulatory framework need to be changed to allow for the establishment of an AMC <p>2. Acquisition & Valuation of NPAs</p> <ul style="list-style-type: none"> • Valuing and pricing methods to acquire NPAs • Procedures for evaluation of rights to claim on loans, including collateral • What methods are used to determine the value of NPAs for acquisition 	<p style="text-align: center;">Presentation</p> <p style="text-align: center;">9:00am – 9:20am Mongolia Case: Working Committee on NPL Nergui Yundebazar – Bank of Mongolia</p> <hr/> <p style="text-align: center;">9:20am – 9:40am Presentation by WG 1</p> <hr/> <p style="text-align: center;">9:40am – 10:00am Presentation by WG 2</p> <hr/> <p style="text-align: center;">10.00am – 10.20am Presentation by WG 3</p> <hr/> <p style="text-align: center;">10.20am – 10.40am Presentation by WG 4</p> <hr/> <p style="text-align: center;">10.40am – 11.20am Wrap up by Gary Gegenheimer</p> <p>What are the similarities and differences of NPAs purchase and resolution methods from each country. What are implications from the previous and recent crises and NPA purchase and resolution mechanisms.</p>
	Break	Break	Break

11:00 to 12:30	A Chronology of AMC Experience (cont'd) 1. 1980s Latin America Debt crisis 2. 1980s US Savings & Loan crisis (RTC) 3. 1990s Nordic Banking crisis (Finland, Sweden and Norway) 4. 1997-98 Asian financial crisis (China, Indonesia, Korea, Malaysia, Thailand) 5. After the 2007-08 global financial crisis - US Subprime Mortgage Crisis - European debt crisis 6. 2013-2014 US tapering and Eurozone economic slowdown	3. Asset Management and disposition <ul style="list-style-type: none"> Types of asset management for assets acquired from banks Advantages and disadvantages of disposition methods Methods of realization of acquired assets & their recovery Terms of asset disposal in the event of non-repayment What is the procedure to manage the asset 	11.20am – 12.00pm Strengthening the future of Asian financial markets focused on NPL Markets Junkyu Lee – Asian Development Bank The Asian NPL markets are heavily reliant on a very few investors from the US and Europe. Asian economies are still vulnerable to the economic and financial shocks or crises. Thus, there is a need to develop effective NPL resolution mechanisms in the Asian Financial markets to deal with NPLs. 12.00pm – 12.30pm Closing Remarks & Certificate Presentation
LUNCH		LUNCH	
1:45 to 3:15	Comparisons between US(RTC), Ireland or the UK Gary Gegenheimer I. Legal & Regulatory Framework Required for Managing NPLs 1. What are the legislative requirements to address NPAs & recognition of losses on lending activity by banks 2. What are the preventive measures to improving the quality of bank loan portfolios 3. What are the legislative requirements to oblige banks to transfer NPAs to AMCs 4. What are the benefits of transferring NPAs to AMCs & having them managed by AMCs	Workshop on NPAs Management and Resolution Methods Facilitator: Gary Gegenheimer Implications on similarities and differences of operational experiences among public AMCs Discussion by Working Group (WG) <i>(WG 1, 2 and 3 should be attended by at least one participant from each institution)</i> WG 1: Legal & Regulatory Framework WG 2: Acquisition & Valuation of NPAs WG 3: Asset Management and Disposition	
Break		Break	
3:30 to 5.00	Comparisons between US(RTC), Ireland or the UK (Cont'd) II. Structure & Role of AMC 1. How to establish an AMC that will purchase & manage NPAs 2. What is its structure, modus operandi & lifetime duration 3. What are the main functions of the AMC 4. What is the accountability of the AMC regarding acquisition & management of NPAs	WG 4: Deposit Insurance	

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Type of Participant Targeted

This training seminar is primarily aimed at middle level officers of state-run/public AMCs, as well as officers of institutions entrusted with crisis management and resolution in countries without public AMCs. In addition, the seminar aims to invite participants from public corporations, central banks and financial regulatory authorities.

Prerequisites

No pre-course reading materials are required for this seminar.

Course Overview

This seminar will present the important role that asset management companies (AMCs) play in the process of purchasing distressed assets from banks to assist with the restructuring process, and development and recovery of the financial sector. The adoption of relevant legislation for an AMC as well as the role of AMCs in acquisition and resolution will be examined. This will be contrasted to local practices with a case study on how NPAs are currently dealt with under existing legislation. The seminar will address methods for the valuation of non-performing assets (NPAs) acquired by AMCs and how to take into account the rights of third parties with respect to collateral. The various types of asset management will be studied to demonstrate how assets acquired by the AMC are realized and how to position the long-term sustainability of AMCs. The seminar will also enable participants to practice the NPAs resolution methods through simulation and exercise.

Learning Objectives

Upon completion of this course, the participant should be able to:

- Define the legislative requirements to recognize bank losses & address NPAs
- Outline the structure of an AMC, its operations & business timeline
- Compare local practices for NPL resolution to AMC models and contrast the benefits of each
- Outline the process for determining agreement on acquisitions between AMCs and banks
- Determine the value of NPAs for acquisition
- Employ asset management methodologies to gain the most value from assets on realization
- Apply NPA resolution methods through simulation and exercise

Workshop on NPA Management and Resolution Methods

The workshop is designed to promote broader understanding of NPA management and resolution methods practiced in Asia. Working closely together, training participants will learn the major facets of public asset management, including the necessary legal and regulatory

framework, methods of acquisition and valuation of NPAs, and types of asset management and disposition.

The workshop also features a **knowledge sharing workshop session** which will analyze or assess some cases of NPA purchase and recovery undertaken by the various IPAF member institutions. In particular, participants will examine the complete cycle of public asset management and resolution. The session is envisioned to provide participants with a chance to learn from the experience of other public AMCs and institutions based on cases brought by each IPAF member institution themselves, highlighting the challenges faced and lessons learned by IPAF members.

By the end of the training seminar and workshop, participants will be able to:

- gain introduction or re-familiarize with basic methodologies of asset management and resolution
- obtain shared understanding of important components of public asset management including legal and regulatory framework, acquisition and valuation of NPAs and asset management and disposition
- learn various asset resolution mechanisms from actual case studies of asset recovery undertaken by IPAF member institutions
- collaborate on possible recommendations to address the various issues on NPA management and resolution, especially those arising in Asia
- network with other asset managers from public AMCs in Asia

What you will receive on completion of this course

Participants who attend the full 3 days of sessions will receive a Certificate of Attendance under the International Public AMCs Forum.