



## **The 5<sup>th</sup> IPAF Summit and Conference - Concept Note**

### **Regional Financial Cooperation to Enhance Financial Stability and Development - Harnessing IPAF for Promoting Asian NPL Markets -**

25-27 September 2019, Conrad Hotel, Seoul, Republic of Korea

#### **Background**

Since the establishment of IPAF in 2013, IPAF members, with the support of ADB, have actively shared their expertise and policy experiences in dealing with distressed assets or nonperforming loans across Asia, thus strengthening operational capacity and enhancing regional cooperation among members. Through its network, summits, international conferences and events, IPAF has become an invaluable platform that contributes to bettering Asia's financial safety nets and financial market development.

#### **Goal**

Exchange experiences, lessons, and best practices in the management and resolution of NPLs, both in and beyond Asia. Cooperate to overcome regulatory and structural challenges facing the resolution of distressed assets in the region and facilitate NPL market development opportunities that enhance economic resilience and financial stability.

#### **Expected outcome**

This IPAF Summit and Conference are expected to prompt valuable policy discussions and tangible considerations among key market stakeholders and improve the framework of the IPAF platform. Building on the momentum forged during previous years, this event is expected to continue progress in the areas of NPL resolution, market development, and ultimately in the establishment of NPL trading framework.

#### **IPAF 2019 theme**

Since the Asian financial crisis in 1997-1998, the region has taken great strides in strengthening its macroeconomic foundations and facilitating financial sector development. In spite of domestic and regional initiatives to strengthen financial stability, Asia remains vulnerable to external shocks and systemic risks that threaten the region's financial systems. In that regard, addressing nonperforming loans presents a challenge for financial stability in the region. Therefore, it is important to establish efficient NPL resolution mechanisms, as well as to develop NPL markets. IPAF aims to lay the foundations for further regional cooperation in developing NPL markets and discuss possible steps that need to be taken in support of a regional NPL transaction framework.

## **Session 1: Asia's financial sector stability and development**

Asia's economic growth has held up well to external challenges this year. However, heightened global policy uncertainty and doubts surrounding global financial liquidity conditions expose pockets of financial vulnerability. For instance, the resulting sudden reversals in capital flows may disrupt financial and economic stability, and elevated levels of debt in the region could pose challenges as changes in global liquidity may curtail access to credit and raise borrowing costs. This session will address current issues relating to financial stability and development, and discuss policy measures to strengthen financial resilience in the region.

### Key questions

1. What are currently the most important challenges that Asian financial markets are facing?
2. How has Asia's financial sector developed since the AFC and the GFC?
3. What policies and regulatory reforms are essential to ensure the sector's resilience amid rising global policy uncertainty and financial volatility?

## **Session 2: NPL market development: Challenges, opportunities, and lessons from Asia and Europe**

The establishment of public AMCs at the onset of the AFC played an important role in facilitating the resolution of NPLs in the region. To date, Asian NPL markets vary with respect to their level of development. While in some economies, markets are well established, in other countries they are still at a nascent stage. Europe's experience with market-based solutions can also provide additional valuable lessons for Asia's efforts in developing NPL markets. This session will discuss main challenges, opportunities, and lessons from Asia and Europe in relation to establishing NPL markets.

### Key questions

1. Why is it important to develop NPL markets in both Asia and Europe?
2. What is the status of development of Asian NPL markets compared to NPL markets development in other regions?
3. What are the challenges and benefits in resolving European NPL market?
4. Based on the case studies discussed, what are the best practices proven to be most effective in dealing with NPLs and the development of NPL markets?
5. What policies should be implemented to further develop NPL markets in Asia and Europe?

## **Session 3: Harnessing IPAF for Promoting NPL Transaction in Asia: Framework & Actions**

Thus far, cross-border NPL transactions in Asia have been limited. Given the rise in the NPL stock in Asian countries, steps to facilitate such transactions have recently begun to take place in the region and one of which is to create an investor-friendly environment in each countries as well as cross-border. IPAF, as a regional forum, has helped facilitate the NPL transaction development in the region. While exchanges of knowledge and trainings within IPAF framework have contributed to capacity building of member institutions, particularly on various policies and legal measures facilitating NPL transactions,

creating NPL online transaction platform in Asia through IPAF could be explored. Given Europe's success stories and high transaction volumes on domestic online bidding platforms run by various public AMCs further shows that this is worth pursuing. With this in mind, this session will discuss elements and factors necessary for the preparation of frameworks and action plans to facilitate the establishment of NPL transaction mechanisms in Asia.

#### Key questions

1. What role can IPAF play in order to facilitate NPL transaction in the region?
2. What are the obstacles and challenges in solidifying IPAF as NPL transaction facilitator (including online and/or cross-border components) and how to overcome them efficiently?
3. What frameworks and actions are needed to harness IPAF for its existing and potential member institutions establishing domestic and cross-border NPL transaction mechanism?
4. What policies and legal framework should be taken into consideration to facilitate the implementation of these frameworks and actions?

**25 SEPTEMBER, WEDNESDAY (DAY 1)**

**IPAF SUMMIT MEETING**

<b>Time</b>	<b>Event</b>	<b>Speaker</b>
<b>WORKSHOP</b>		
<b>09:30-10:50</b> <b>Workshop 1</b>	<u>Presentation</u> Opportunities and challenges facing Chinese financial markets and NPLs	<b>Presenters:</b> Mr. Zhang Zhongji, China Huarong Asset Management Co., Ltd, General Manager Mr. Benjamin Fanger, ShoreVest, Managing partner & Founder
<b>10:50-11:05</b>	Tea Break	
<b>11:05-12:25</b> <b>Workshop 2</b>	<u>Presentation</u> Strengthening NPL resolution mechanisms and market development in Viet Nam	<b>Presenters:</b> Mr. Nguyen Phi Lan, Bank Supervision Agency, State Bank of Vietnam, Director Mr. Duc Tran, Allen & Overy, Partner Lawyer
<b>IPAF SUMMIT MEETING</b>		
<b>14:30-15:00</b>	Registration	
<b>15:00-15:10</b>	Opening Remarks	Mr. Chang-Yong Moon, KAMCO, Chairman & CEO
<b>15:10-15:15</b>	Welcome Remarks	Mr. In-Chang Song, ADB, Board of Director
<b>15:15-15:25</b>	IPAF Progress Report	Mr. Junkyu Lee, ADB, Principal Economist
<b>15:25-15:40</b>	Presentation Summary : Current Asian NPL Market	Mr. Chi-Nang Kong, Deloitte, Managing Director(TBD)
<b>15:40-16:20</b>	Greetings and Updates from IPAF General Members	IPAF General Members
<b>16:20-16:25</b>	IPAF 2020 Chair Announcement	SAM Chairman
<b>16:25-16:30</b>	Photo Session	
<b>16:30-18:00</b>	Bilateral Networking Meetings among IPAF Members	IPAF Members
<b>18:00-20:00</b>	Welcome Dinner Welcome Dinner Speech	Mr. Chang-Yong Moon, KAMCO, Chairman & CEO

26 SEPTEMBER, THURSDAY (DAY 2)

**INTERNATIONAL CONFERENCE ON REGIONAL FINANCIAL COOPERATION TO  
ENHANCE FINANCIAL STABILITY AND DEVELOPMENT**

**: HARNESSING IPAF FOR PROMOTING ASIAN NPL MARKETS**

Time	Event	Speaker
<b>OPNEING CEREMONY</b>		
09:00-09:30	Registration	
09:30-09:40	Opening Remarks	Mr. Chang-Yong Moon, KAMCO, Chairman & CEO
09:40-09:50	Welcome Speech	Mr. Sung-Soo Eun, Financial Services Commission, Chairman
09:50-10:10	Keynote Speech	Mr. Diwakar Gupta, ADB, Vice-President for Private Sector and Public-Private Partnerships
10:10-10:20	Group Photo Session	
10:20-10:35	Tea Break	
<b>SESSION 1. Asia's Financial Sector Stability and Development</b>		
10:35-11:15	Presentation	<b>Presenter:</b> Mr. Alfred Schipke, IMF, Senior Resident Representative for China
11:15-12:00	Panel Discussion	<b>Moderator:</b> Mr. Edimon Ginting, ADB Deputy Director General  <b>Panelists:</b> Mr. Alfred Schipke, IMF, Senior Resident Representative for China Mr. Seung Hyun (Luke) Hong, AMRO, Group Head Ms. Katia D' Hulster, WB, Lead Financial Sector Specialist Mr. Haesik Park, KIF, Director of Research center
12:00-13:30	Networking Lunch	

**SESSION 2. NPL Market Development  
: Challenges, Opportunities, and Lessons from Asia and Europe**

13:30-14:15	Presentation	<b>Presenter:</b> Mr. Reiner Martin, ECB/JVI(Joint Vienna Institute), Lead Economist
14:15-15:15	Panel Discussion	<b>Moderator:</b> Mr. Benjamin Fanger, ShoreVest, Managing partner & Founder  <b>Panelists:</b> Mr. Reiner Martin, ECB/JVI(Joint Vienna Institute), Lead Economist Mr. Jan Cherim, Financial Access, Chairman and Co-founder Mr. Steve Choi, Oaktree, Managing Director and Head of Real estate Asia Mr. Miquel Dijkman, World Bank FinSAC, Lead Financial Sector Specialist Mr. Daekeun Park, Hanyang University, Professor
15:15-15:30	Tea Break	

**SESSION 3. Harnessing IPAF for Promoting International NPL Transaction in Asia  
: Framework & Actions**

15:30-16:30	Presentations	<b>Presenters:</b> Mr. Chi-Nang Kong, Deloitte, Managing Director Mr. Sunjoon Choe, KAMCO, Team Head Mr. Timur Peters, Debitos, CEO
16:30-17:15	Panel Discussion	<b>Moderator:</b> Mr. Junkyu Lee, ADB, Principal Economist  <b>Panelists:</b> Mr. Chi-Nang Kong, Deloitte, Managing Director Mr. Sunjoon Choe, KAMCO, Team Head Mr. Timur Peters, Debitos, CEO Mr. Bojan Markovic, EBRD, Deputy Director Mr. Niyot Masavisut, SAM, President
17:15-17:30	Closing Ceremony and Remarks	Mr. Nam-Ju Kwon, KAMCO, Executive Vice President Ms. Pongpen Ruengvirayudh, SAM, Chairman



**27 SEPTEMBER, FRIDAY (DAY 3)**

**IPAF RESEARCH AND CCM MEETINGS**

<b>AM</b> <b>IPAF CCM Meeting</b>	<b>AM</b> <b>City Tour</b>	<b>IPAF General Members and ADB</b>
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