ADB-ECB Workshop on NPL Resolution in Asia and Europe
ADB Headquarters, Multifunction Hall 1, 10-11 February 2020

AGENDA

Previous financial crises have demonstrated the long-lasting negative impact nonperforming loans (NPLs) can have on financial stability and the economy. While the 1997/98 Asian financial crisis was a watershed moment for many Asian economies' financial systems, the economic impacts of elevated NPL levels persisted well beyond the crisis period. The euro area's more recent experience also illustrates the systemic and negative impact large NPLs can have on all economies in a region. Against this background, this workshop will examine the macrofinancial implications of NPLs, highlight country case studies, and discuss policy lessons for the development of NPL resolution strategies in Asia and Europe.

Monday, 10 February 2020	
MC: Junkyu Lee, Chief of Finance Sector Group, ADB	
8:30 – 9 a.m.	**Registration**

Opening Session	
9 – 9:05 a.m.	**Welcome Remarks** Cyn-Young Park, Director, Regional Cooperation and Integration Division, ADB
9:05 – 9:10 a.m.	**Opening Remarks** Maciej Grodzicki**,** *Adviser, Systemic Risk & Financial Institutions Division, European Central Bank*
9:10 – 9:30 a.m.	**Keynote Presentation** Bambang Susantono, *Vice President for Knowledge Management and Sustainable Development, ADB*
9:30 – 10:00 a.m.	**Photo Session (Multifunction Hall 2) and Coffee Break**

Session 1: Policy Strategies for NPL Resolution and NPL Market Development *Moderator: Cyn-Young Park, Director, Regional Cooperation and Integration Division, ADB*	
10:00 – 10:15 a.m.	**Overview of Joint ADB-ECB Book** **Presenters**: Cyn-Young Park*, Director, Regional Cooperation and Integration Division, ADB;* Reiner Martin, *Lead Economist, JVI*
10:15 – 11 a.m.	**The Resolution of NPLs in the Euro Area** *John Fell, Maciej Grodzicki, Reiner Martin, and Edward O'Brien* **Presenters**: Maciej Grodzicki, *ECB*; Reiner Martin, *JVI* **Discussant**: Stephen Schuster, *Principal Financial Sector Specialist, ADB*
11 – 11:45 a.m.	**Strategies for Developing Asia's NPL Markets and Resolution Mechanisms**

Junkyu Lee, Cyn-Young Park, Daekeun Park, Peter Rosenkranz

Presenter: Prof. Daekeun Park, *Hanyang University*
Discussant: Dai Chang Song, *Principal Financial Sector Specialist, ADB*

11:45 a.m. – 12 noon	**Open Floor Discussion**
12 noon – 1:30 p.m.	**Lunch (Executive Dining Room Area 3)**

Session 2: NPL Resolution Mechanisms and Their Effectiveness
Moderator: Akiko Terada-Hagiwara, Principal Economist, East Asia Department, ADB

1:30 – 2:15 p.m.	**Overstating Moral Hazard: Lessons from Two Decades of Banking Crises** *Douglas Arner, Evan Gibson, Emilios Avgouleas* **Presenter**: Douglas Arner, *Kerry Holdings Professor in Law, University of Hong Kong (**Via Video Conference**)* **Discussant**: Jae Seung Suk, *Financial Sector Specialist, ADB*
2:15 – 3 p.m.	**Assessing the Effectiveness of Banking Sector Nonperforming Loan Resolution Policies and Measures** *Daekeun Park, Junkyu Lee, Peter Rosenkranz* **Presenter**: Prof. Daekeun Park, *Hanyang University* **Discussant**: Lilia Aleksanyan, *Economist, ADB*
3 – 3:15 p.m.	**Open Floor Discussion**
3:15 – 3:30 p.m.	**Coffee Break**

Policy Panel: Financial Stability, Resilience, and NPL Resolution
Moderator: Peter Rosenkranz, Economist, Regional Cooperation and Integration Division, ADB

3:30 – 4:45 p.m.	**Chuchi Fonacier**, *Deputy Governor of the Financial Supervision Sector, Bangko Sentral ng Pilipinas* **Tharith Panpiemras,** *Senior Director, Banking Supervision and Risk Assessment Department, Bank of Thailand* **Maciej Grodzicki,** *Adviser, Systemic Risk & Financial Institutions Division, European Central Bank* **Xiaoqin Fan,** *Director, Public Management, Financial Sector & Regional Cooperation Division, East Asia, ADB*
4:45 – 5 p.m.	**Open Floor Discussion**
5:30 – 7:30 p.m.	**Dinner (Private Dining Room 1)**

End of Day 1

Tuesday, 11 February 2020	
MC: Peter Rosenkranz, Economist, Regional Cooperation and Integration Division, ADB	
Session 3: Country Cases of NPL Resolution and Macrofinancial Implications of NPLs – Europe; *Moderator: Xiaoqin Fan, Director, Public Management, Financial Sector & Regional Cooperation Division, East Asia, ADB*	
9 – 9:45 a.m.	**Do Nonperforming Loans Matter for Bank Lending and the Business Cycle in Euro Area Countries?** *Ivan Huljak, Reiner Martin, Diego Moccero and Cosimo Pancaro* **Presenter**: Reiner Martin, *Lead Economist, JVI* **Discussant**: Shu Tian, *Economist, ADB*
9:45 – 10:30 a.m.	**Country Case Studies on Resolving Problem Loans in Europe**: **Crises, Policies and Institutions** *Alexander Lehmann, Bruegel* **Presenter**: Alexander Lehmann, *Bruegel* **Discussant**: Bryane Michael, *Senior Fellow, Asian Institute for International Financial Law, University of Hong Kong*
10:30 – 10:45 a.m.	**Open Floor Discussion**
10:45 – 11 a.m.	**Coffee Break**
Session 4: Country Cases of NPL Resolution and Macrofinancial Implications of NPLs – Asia; *Moderator: Reiner Martin, Lead Economist, Joint Vienna Institute*	
11 – 11:45 a.m.	**Nonperforming Loans in Asia: Determinants and Macrofinancial Implications** *Junkyu Lee and Peter Rosenkranz* **Presenter**: Peter Rosenkranz, *Economist, ADB* **Discussant**: Madhavi Pundit, *Economist, ADB*
11:45 a.m. – 12:30 p.m.	**Country Case Studies on Resolving Problem Loans in Asia: Crises, Policies, and Institutions** *Junkyu Lee, Peter Rosenkranz, and Edimon Ginting* **Presenter**: Junkyu Lee, *Chief Finance Sector Group, ADB* **Discussant**: Soon Chan Hong, *Senior Economist, Bangladesh Resident Mission, ADB (**Via Video Conference**)*
12:30 – 12:45 p.m.	**Open Floor Discussion**
12:45 – 12:50 p.m.	**Wrap up**
12:50 – 2 p.m.	**Lunch (Private Dining Rooms 3 & 3A)**