

ADB / UNI APRO FINANCE SYMPOSIUM

6th MAY 2017

SPEAKERS PROFILE

PROGRAM

SCALING UP FINTECH ECOSYSTEM: WIDEN FINANCIAL INCLUSION IN ASIA

NAVIGATING THE DIGITAL LANDSCAPE



SYMPOSIUM VENUE

AT BUSINESS CENTER YOKOHAMA KANNAI
1-2 Chitosecho, Nak-ku, Yokohama, Japan

IN FRONT OF YOKOHAMA EKISAIKAI BYOIN (HOSPITAL)

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BACKGROUND

A major threat to the world economy today is the continuing disequilibrium between spending and saving, both within and between major economies. The aftermath of the 2008 Global Financial Crisis (GFC) saw a new pessimism about the ability of market economies to generate future prosperity. This is driven primarily by the spate of monetary and fiscal stimulus policies introduced in the major economies as a desperate attempt to avoid a mass meltdown of the global financial markets.

These measures tried to stimulate both consumption and investments by bringing forward future consumption with a combination of zero or negative interest rates and numerous rounds of quantitative easing measures. However, the net result of these policies today is mixed. The unconventional monetary policy regimes have effectively helped to stabilize the major financial markets through the use of public money. But austerity policies adopted in an effort to maintain fiscal discipline in many places has a net negative effect on the domestic consumption and investment front.

It is clear that easy monetary policy may be necessary for the short run, but it is not sufficient for a sustained recovery. The low-interest rates certainly cannot correct the disequilibrium in the patterns of demand. The uncertain global economic climate over the past decade has not instilled in the ordinary person, small and medium-sized enterprises enough confidence to make rational long-term decisions about savings, investments, and consumption. The International Monetary Fund projected that global output for 2016-2018 ranged from 3.1 percent to 3.6 percent. Advanced economies are expected to grow at a very lukewarm rate between 1.6 percent and 2.0 percent.

Recent changes in the global political environment are building up expectations that the unconventional monetary policy regime will be ending sooner than later.

The interest rates in the US are likely to adjust upwards. Any accompanying exchange rate volatility and capital outflows related to this adjustment could have negative consequences for some emerging economies in Asia. Rising interest and exchange rates could adversely affect the prices of and markets for financial assets and real estate, inducing adverse knock-on effects.

Impact of digitalization and innovation

Policy-induced impacts aside, attention must also be paid to the intensified application of technology in the financial services. Digital globalization has made it easier to transmit information, ideas, and innovation around the world. New digital platforms are broadening participation in the global economy and changing the economics of doing business across borders. Many small businesses worldwide are benefitting from the new platforms which bring down the cost of international interactions and transactions. They are effectively becoming “micro-multinationals”. Many such companies are conducting complex operations across borders.

Fintech, while disruptive, many ASEAN+6 regional financial institutions have identified the huge opportunity to partner with innovators. Increasingly, customers are demanding financial services on the go, via smartphones, and other digital platforms. Through “FINTERGRATION”, non-financial companies are keen are to develop solutions to address customer needs. In doing so, these non-financial institutions are encroaching on what used to be areas where banks had a virtual monopoly such as handling payments and settlements between various economic actors. The boundary between technology companies and financial companies are also increasingly blurred. Take for example, “The Currencycloud”. It is the latest digital platform, introduced by Google Ventures, a few UK Start-ups and venture capital firms to handle cross-border settlements.

BACKGROUND

It is fair to say that much of these new operations are not adequately covered under existing financial regulations

Financial regulators worldwide are struggling to keep abreast of the pace of innovation. Traditional tools such as off-site surveillance and transaction testing have limitations. Finance industry stakeholders cannot underestimate the importance of this development and regulators need to look into developing micro-prudential regulations especially with regard to 'Financial Technology' or 'Fintech'. The cumulative effect stemming from the Fintech, non-banking intermediaries, and shadow banking activities of some large conglomerates operating across borders can be a potential source of "Black Swan" event in the financial systems in Asia, corresponding to global financial markets volatilities.

Clearly, the finance industry is undergoing turbulence. Regulatory and supervisory tightening is hurting many banks across the regions, as the banks are forced to increase equity capital and expected to come up with living wills, to manage any future crisis without burdening the taxpayers. The banking community as a whole needs to repair the damage done by failures in culture, values, and behavior in the finance industry since the advent of GFC. This challenge has to be tackled on an urgent basis with renewed vigor to achieve tangible outcomes and reputation as restoring public trust is the bedrock of a safe and effective financial system.

UNI Apro Finance is convening a Symposium jointly with ADB in Yokohama, in conjunction with ADB's 50th Annual Governors Meeting events, to learn from the experiences of finance industry stakeholders to develop a holistic view and approach to assessing the trends of Fintech, non-banking entities, and shadow banking influence.

UNI Apro Finance is also keen to support ADB to initiate a multi-stakeholder dialogue to ascertain the intensity of micro-prudential regulations and supervision that could be introduced in the region corresponding to the financial integration taking shape in Asia.

The deliberations at the symposium aim to highlight the importance and facilitate the introduction of an appropriate regulatory and supervisory framework to ensure effective cross-border finance industry surveillance methods and infrastructure in line with the expansion of non-bank financial intermediaries in Asia.

Key Objectives of the Symposium

- ◆ To deliberate on getting the right balance and the intensity of regulations on the FINTECHS and non-bank financial intermediaries increasingly expanding activities in emerging economies in Asia.
- ◆ To call for effective cross-border crisis management and resolution preparedness to mitigate potential systemic risks arising due to inadequate regulatory, supervisory focus on non-bank financial intermediaries and shadow banking activities taking place in the new digital platforms.
- ◆ To discuss the potential role that ADB can play in ensuring that effective surveillance methods and infrastructure to put in place in the financial sector to strengthen the financial stability in Asia



Dr. Atiur Rahman is a Professor of Department of Development Studies, University of Dhaka. Dr. Rahman served as the Governor of Central Bank of Bangladesh during the period of May 2009-March 2016. The defining feature of Dr. Rahman's tenure as a Governor was his decisive drive reorienting the institutional objectives and ethos to support a pro-poor, inclusive and sustainable development model through his flagship initiatives of financial inclusion and environmentally benign green banking. His consistent support for widespread digitization of both central banking and commercial banking has helped achieve robust transparency and accountability in the financial sector in Bangladesh.



Mr. Noritaka Akamatsu, Senior Advisor, Financial Cooperation & Integration, Economic Research & Regional Cooperation Dept. Asian Development Bank

Mr. Akamatsu is Senior Advisor of Asian Development Bank (ADB) where he joined March 2009. He leads a team supporting regional financial cooperation and integration including those of ASEAN, ASEAN+3 and APEC. Previously, he served as Chair of ADB's Financial Sector Community of Practice, and guided ADB-wide financial sector operations. Prior to joining ADB, he was a staff member of the World Bank for 20 years. He was Finance & Private Sector Program Manager for Vietnam, based in Vietnam. At the headquarters, he was Lead Financial Economist and headed Capital Markets Group of the Bank's Financial Sector Network, covering worldwide.



Mr. Angelo Di Cristo – Head of Department, UNI Finance Global Union

Angelo started his career in Cassa di Risparmio di Torino, the second largest Saving Bank in Italy, in February 1980. In 1992 became the National Coordinator for the Union in Banca CRT and engaged in trade union activities in FABI Italian Banking industry union. In his capacity as a member of the International Department of the FABI Angelo acquainted with UNI and UNI Europa Finance and was the coordinator for banking industry Social Dialogue Committee in the European Union. Elected to the National Board of the FABI in 2010 and was in charge for collective bargaining in the Italian Banking sector. Since September 2016, Angelo was appointed as the Head of Department of UNI Finance and working at the UNI global unions headquarter in Nyon, Switzerland

SPEAKERS PROFILE



Mr. Christopher Ng is a Singaporean, born on 1 May 1952. He has been intimately involved with the Global trade union movement since 1974. He has been the Regional Secretary of Apro FIET/UNI Apro since 1986 and a founder member of ASEAN Services Employees' Trade Unions Council (ASETUC) established in 2007. In

2013, he was appointed a member of the Eminent Person Group of the Business and Human Rights Reporting and Assurance Framework Initiative (RAFI). In the same year, he was invited to be a member of the International Advisory Board of the Garment Industries Transparency Initiative (GITI). In 2014, he was appointed a member of the World Economic Forum Global Agenda Council for Human Rights. In 2015, he was appointed a member of the International Academic Affairs Committee of the Incheon National University, Korea.



Mr. John West – Executive Director, Asian Century Institute

John West has had a long career in international economics and relations, with major stints at the Australian Treasury where he was director of balance of payments, OECD (head of public affairs and director OECD Forum) and Asian Development Bank Institute (senior consultant for capacity building and training). He also taught globalization at the Institut d'Etudes Politiques (Sciences Po) in Paris. John is now executive director of the Asian Century Institute, adjunct professor at Tokyo's Sophia University, and contributing editor at FDI-Intelligence, a Financial Times magazine.



Mr. Atsushi Miyai is the President of UNI Apro Finance, Central Executive Committee member of Japanese Trade Union Confederation [RENGO].

His career in the insurance industry started in 1999 and he works for Sompo Japan Nipponkoa Insurance Co., Ltd. Miyai currently on secondment for trade union work as the elected President of Sompo Japan Nipponkoa Insurance Workers' Union, and President, of 92000 members strong Federation of Non-Life Insurance Unions in Japan (FNIU) which celebrated its Golden Jubilee this year. (2017)

Miyai is also a member of the UNI World Executive Board and Vice Chairperson of UNI Liaison Council Japan.



Mr. Morten Clausen joined UNI Europa Finance in 2015 as Policy Officer in charge of Financial Regulation. His role is to develop UNI Europa's position regarding financial legislation coming from the European Union and to ensure that trade union priorities are presented to European and international decision-makers.

Morten also acts as the Nordic Financial Unions' representative in Brussels, ensuring that the Nordic financial trade union federation proactively participates in the European-level work.

During his time with UNI Europa, Morten has co-drafted several opinions in the European Economic and Social Committee, acted as UNI Europa's representative on the board of Finance Watch, a Brussels based financial regulation watch-dog, and represents UNI Europa at the European Trade Union Confederation on financial policy questions.

He previously also worked for the Council of the European Union. Morten holds an MSc in International Business and Politics from Copenhagen Business School.



Mr. B. Sriram, Managing Director (Corporate Banking Group) State Bank of India

Mr. B. Sriram joined State Bank of India as a Probationary Officer in 1981. He assumed charge of Managing Director (Corporate Banking Group), in November 2015. In this role, he oversees Bank's Large Corporate Group, Mid Corporate Group, International Banking Group, Project

Finance and Stressed Assets Management Group. Prior to that he was Chief General Manager (Global Markets), which manages the Bank's Investment portfolio, Money Market, Forex operations and Liquidity Management.

In a career spanning more than 35 years, Mr. Sriram has held several key positions in Treasury, Branch Management and Retail Banking. He was also posted in the Bank's overseas office at Singapore and was on deputation to SBI Capital Markets Ltd. during his earlier tenures.

He is a Post Graduate in Physics from St. Stephen's College, Delhi and has a Diploma in Management from AIMA.



Mr. Ippei Oshima is the President of Mitsubishi UFJ Trust & Banking Employees' Union. He is also the Vice Chairman of National Federation of Trust Bank Employees' Union in Japan.

Oshima started his banking career in 2003 with Mitsubishi Trust Bank Ltd., which later merged with UFJ Trust Bank in 2005.



Mr. Jayasri Priyalal is the Regional Director for Finance, Professional & Managers sector activities of UNI Global Union Asia & Pacific Regional Organization, Liaison with Asian Development Bank. A Sri Lankan nationality working in the regional office in Singapore since 2006.

He counts 25 years of banking experiences, worked at Indian Bank in Colombo, Sri Lanka. He has been the bank's compliance officer, specialized in areas of International trade and Treasury operations in banking and finance.

He was elected as a principal official of Ceylon Bank Employees' Union (CBEU) for two consecutive terms. His career with the International Trade Union movement began in 1990, with the appointment as the regional youth Co-coordinator for Asia & Pacific region.

Priyalal holds a MBA from the University of Sri Jayewardenepura; and a Post Graduate Diploma in International Relations from Bandaranaike Centre for International Studies (BCIS), is also an Associate of Institute of Bankers Sri Lanka (IBSL).

As the Regional Director he has implemented number of the symposiums and conferences for finance sector in ASEAN and in Asia and Pacific.



Mr. SATORU YAMADERA

Principal Financial Sector Specialist, Sustainable Development and Climate Change Department (SDCC), Asian Development Bank

Mr. Yamadera, who is a national of Japan, has been in the current position since October 2014. As the Secretariat of the Asian Bond

Markets Initiative (ABMI) of ASEAN+3, he leads ASEAN+3 Bond Market Forum (ABMF), consisted of more than 100 experts from both public and private sector in the region.

He also leads Cross-border Settlement Infrastructure Forum (CSIF) to create cross-border linkages among the central banks and central securities depositories to increase efficiency and safety of cross-border transactions. In addition, he manages a project to support ASEAN financial integration, and supports capacity building of ASEAN central banks. He obtained his BA in Law, Keio University, Japan (2005); M.Sc in Public Administration and Public Policy from the London School of Economics and Political Science, United Kingdom (1994); and M.Sc in Systems Management from Tsukuba University, Japan (2005).

PROGRAM OF THE SYMPOSIUM

10:00 AM Registration of Participants
10:30 Inauguration

Welcome Speech	Mr. Atsushi Miyai – President UNI Apro Finance
Fraternal Greetings	Mr. Christopher Ng – Regional Secretary, UNI Apro
Opening Remarks	Mr. Noritaka Akamatsu – Senior Advisor ADB

11:00- 12:30 MORNING SESSION

OVERVIEW – NAVIGATING DIGITAL LANDSCAPE

Revolutions in FINTECH and Evolution in Cryptocurrencies Mr Noritaka Akamatsu – Senior Advisor ADB
FINTECH's and FINTEGRATION for Financial Empowerment Case Study: Mobile Phone Cash Transfers – Bangladesh Dr Atiur Rahman – Former Governor Bangladesh Bank
Unionism and Digitization – Opportunities, Challenges for Trade Unions Mr. Angelo Di Cristo – Head of Dept. UNI Finance Global Union, Switzerland
Moderator: Mr John West – Executive Director, ASIAN Century Institute

QUESTIONS AND ANSWERS

12:30 – 14:00 LUNCH

14:00 – 17:30 AFTERNOON SESSION

14:00 - 15:00

Knowledge Sharing Session

Social effects of Digitalization – European Social Partners Commitments Mr Morten Clausen – Policy Officer – UNI Europa Finance, Brussels
Cryptocurrencies – Japanese Inventions Mr. Ippei Oshima – President, MUFJ Trust & Banking Employees' Union
Moderator: Atsushi Miyai – President, FNIU Japan

15:30 - 17:00 PANEL DISCUSSION

Regulatory Radar on “Finteegration” for Regional Financial Stability

Innovative and Inclusive Financial Services for sustainable growth in Asia Mr. Satoru Yamadera – Principal Financial Sector Specialist ADB
Reorienting Banking in the Digital Era Mr B Sriram, Managing Director, Corporate Banking Group, State Bank of India
Right Balance for Safety and Stability in the Financial System Dr. Atiur Rahman, Professor Dept. of Development Studies University of Dhaka, Bangladesh
Moderator: Jayasri Priyalal – Regional Director, UNI Apro Finance, Singapore

Debate and Discussion

17:30 - Closing Summary Conclusions of the Symposium