



2022 Asian Regional Forum on Investment Management of Foreign Exchange Reserves



AGENDA

Wednesday, 26 October 2022

8:30 am–9:00 am **Registration and Coffee**
Venue: Tower Ballroom Foyer

9:00 am–9:15 am **Group Photo**
Venue: Acacia

9:15 am–9:45 am **Keynote Address**
Ms. Roberta Casali, Vice President (Finance and Risk Management), Asian Development Bank
Mr. Rui Xiong Kee, Executive Director, Corporate Finance & Consumer Department and Reserve Management Department, Monetary Authority of Singapore
Venue: Banyan

9:45 am–10:50 am **Session 1: Global & Regional Economic and Markets Outlook**
Format: Panel Discussion

Panelists:	Mr. Donghyun Park, Economic Advisor (Strategic Knowledge Initiatives), ADB
	Ms. Natalia Novikova, IMF Resident Representative in Singapore
	Mr. Ng Kheng-Siang, Head of Asia Pacific Fixed Income, State Street Global Advisors
	Mr. Ben Powell, Chief APAC Strategist, BlackRock Investment Institute

Moderator: Mr. Pierre Van Peteghem, Treasurer, Asian Development Bank

This panel discussion will focus on the global economic prospects, with emphasis on Asia and the Pacific region. It will cover major developments and their potential impact on economic growth – including recovery from the social and economic impacts of a pandemic that is by no means over, the Russian invasion of Ukraine which has heightened geopolitical risks and confounding the outlook for the world economy, monetary tightening by the United States Federal Reserve and adverse developments such as inflationary pressures and supply disruptions that are intensifying global uncertainty including a surge in commodity prices.

10:50 am–11:05 am **Open Discussion**

11:05 am–11:25 am **Coffee Break**

11:25 am–11:45 am **Audience Polling**

11:45 am–12:45 pm **Session 2: Managing Large Portfolios in the Current Market Environment**
Format: Presentation

Speakers:	Ms. Rini Kusumastuti – Head of Fixed Income and FX Portfolio Division, Reserves Management Department, Bank Indonesia
	Mr. Aram Sahakyan, Head of Global Markets Division, Central Bank of Armenia
	Ms. Min Jung Kim, Manager, Reserve Management Planning Team, Reserve Management Group, Bank of Korea

Moderator: Mr. Jonathan Grosvenor, Assistant Treasurer, Asian Development Bank



2022 Asian Regional Forum on Investment Management of Foreign Exchange Reserves



Managers of FX Reserves and Sovereign Wealth Funds continue to face a difficult investment environment with a rise in global interest rates in developed economies to control a surge in inflation. In a climate of lower global growth, increasing geopolitical risks, and volatile FX markets, how should portfolio managers invest? How are these factors impacting capital flows, and are all emerging markets equally vulnerable? In this session, reserve and sovereign wealth fund managers share their insights and experiences in managing large investment portfolios.

12:45 pm–1:00 pm **Open Discussion**

1:00pm–2:00 pm **Lunch**
Venue: Acacia

2:00 pm–2:40 pm **Session 3: Risk Management Framework**
Format: Presentation

Speakers:	Mr. Tarlan Rasulov, Director of Reserve Management Department, Azerbaijan
	Mr. Aleksandre Khazaradze, Head of Risk Management and Control Division, National Bank of Georgia

Moderator: Ms. Priti Sinha, Treasury Specialist, Asian Development Bank

A key focus for all FX reserves managers should be management of risk in the reserves portfolio. This requires a broad understanding and knowledge of broad risk management concepts such as the measurement of volatility and reserve portfolio sensitivities to changes in interest rates, currencies, and other asset classes. This session will introduce a discussion around risk management best practices and will also consider the practical issues around the organization, placement, and structuring of the risk management function within a central bank. There is an increasing focus on developing a more dynamic and robust approach to risk management covering not only market risks but also operational risks including the increasing threats from cyber-attacks. With increasing business complexity, globalization, and the exponential power of technology (reach and sophistication), operational risks in financial institutions have become far more important than ever. Speakers will present on among others, 1) governance in risk management; 2) developing indicators to manage event, political and other risks; 3) risk factor-based investing; 4) regulatory approaches to enhance central banks' cyber-security frameworks; and 5) the tools needed to evaluate independently and manage operational risks.

2:40 pm–2:55 pm **Open Discussion**

2:55 pm–3:35 pm **Session 4A: Green and Transition Finance for Sustainable Investing – Issuers' Perspective**
Format: Presentation

Speakers:	Ms. Shu (Grace) Tian, Senior Economist, ADB
	Mr. Yuddy Hendranata, Deputy Director, Directorate General of Budget Financing and Risk Management, Ministry of Finance of the Republic of Indonesia

Moderator: Mr. Deepak Taneja, Principal Treasury Specialist, Asian Development Bank

Debt management offices and central banks are increasingly focusing on green and transition finance as they become more conscious of the effects of the economic footprint and the benefits of integrating sustainability, mainly by adding ESG considerations into debt issuance and investment decisions. There



2022 Asian Regional Forum on Investment Management of Foreign Exchange Reserves



has been much progress with the development of the sustainable bond market in Asia. However, this presents both challenges and opportunities that developing Asia and Pacific financial sectors face during the transition to net zero emissions. This session will set out recent developments with transitioning to green financing, the development of green and other sustainable development government bonds, and the potential for further development of the markets to meet ESG considerations.

3:35 pm – 3:50 pm **Open Discussion**

3:50 pm – 4:10 pm **Coffee Break**

4:10 pm – 5:20 pm **Session 4B: Green and Transition Finance for Sustainable Investing – Investors’ Perspective**
Format: Presentation

Speakers:	Mr. Tobias C. Hoschka, Assistant Treasurer, Financial Policy and Planning Division, ADB
	Mr. Francois Haas, Chief Representative, Asia Pacific, Banque de France Asia Office
	Dr. Xinting Jia, ESG Investment Strategist, Asia Pacific, State Street Global Advisors
	Mr. Abhishek Dangra, Senior Director, Sector Lead, Infrastructure, S&P Global Ratings

Moderator: Mr. Jonathan Grosvenor, Assistant Treasurer, Asian Development Bank

Central banks are increasingly focusing on green and transition finance as governments look to meet the targets that they have set for reducing net zero carbon emissions. While climate change is not a policy matter for central banks to address, a key question is whether central banks should be looking more actively to favor green assets in their FX reserves portfolio as climate change has significant, pervasive effects which can impact on all of the primary objectives of a central bank and therefore they will have no choice but to take climate change into account. In addition, central banks are showing a growing interest in issues of market transparency in green finance, particularly regarding taxonomies, green external review and assessment, and climate transition metrics, frameworks, and market products. Taxonomies are classification systems that define criteria to identify assets, projects and activities with environmental benefits or costs. They are an important tool for achieving high-level environmental objectives such as those established by global accords or national environmental or sustainable development policies. Sustainable investment which encapsulates ESG integration and corporate engagement is also gaining traction. This session will set out recent developments with transitioning to green financing and the impact that this is having on the investment strategies of central banks as well as motivations to follow sustainable investing.

5:20 pm–5:35 pm **Open Discussion**

5:35 pm–6:15 pm **Session 5: Engaging External Fund Managers**
Format: Presentation

Speakers:	Mr. Kimty Kormoly, Deputy Director General, Central Banking Directorate, National Bank of Cambodia
	Ms. Danielle R. Espiritu, Assistant Chief Reserve Management Officer, Financial Markets, Bangko Sentral ng Pilipinas

Moderator: Ms. Penelope Stafford, Assistant Treasurer, Asian Development Bank



2022 Asian Regional Forum on Investment Management of Foreign Exchange Reserves



As central banks diversify their reserves into increasingly complex asset classes it is natural to draw on the services of external asset managers. External service providers also play important roles as custodians, advisors, and auditors. It is essential that central banks manage relations with external service providers effectively, which can be a costly and time-consuming exercise. What has the experience been with external fund managers (EFM)? What is the optimum way to leverage them, and for which asset classes? What is the appropriate mandate for EFM? In this session, we identify best practices in managing relations with private-sector partners, with an emphasis on how to reduce the cost of doing so.

6:15 pm–6:30 pm **Open Discussion**

7:15 pm–9:00 pm **Dinner**
Venue: Acacia
Dress Code: Casual

Thursday, 27 October 2022

8:30 am–9:00 am **Registration and Coffee**
Venue: Tower Ballroom Foyer

9:00 am–10:00 am **Session 6: Sovereign Asset & Liability Coordination**
Format: Presentation

Speakers:	Mr. Giorgi Laliashvili, Head of Financial Markets, National Bank of Georgia
	Mr. Zandy Akbar Rassat, Deputy Director for Multilateral Loans and Grant, Directorate of Loans and Grants, Directorate General of Budget Financing and Risk Management, Ministry of Finance of the Republic of Indonesia
	Ms. Aisyah Mayuliani, Head of Section of Bilateral Loans and Grants 2D, Directorate of Loans and Grants, Directorate General of Budget Financing and Risk Management, Ministry of Finance of the Republic of Indonesia

Moderator: Mr. Tobias Hoschka, Assistant Treasurer, Asian Development Bank

Important sovereign assets and liabilities, such as international reserves, sovereign wealth funds, financial asset and public debt, are typically managed by different institutions—central banks, fund managers and ministry of finance—with each having their own policy objectives and institutional arrangements. This session will focus on the coordination between all agencies managing the government’s portfolio of financial assets and public debt and what are the main challenges coordination, oversight and governance.

10:00 am–10:15 am **Open Discussion**

10:15 am–10:35 am **Coffee Break**



2022 Asian Regional Forum on Investment Management of Foreign Exchange Reserves



10:35 am–11:50 am **Session 7: Effective Debt Management Strategies in Current Macroeconomic Conditions**
Format: Presentation

Speaker:	Mr. Erwin Sta. Ana, Deputy Treasurer, Bureau of Treasury, Department of Finance, Philippines
	Mr. Soulivath Souvannachoumklam, Director General, Public Debt Management Department, Lao, PDR
	Mr. Paroche Hutachareon, Senior Expert on Bond Market Development, PDMO, Thailand
	Mr. Irakli Katcharava, Head of Public Debt Management Department, Ministry of Finance, Georgia

Moderator: Ms. Lei (Annie) Wang, Principal Treasury Specialist, Asian Development Bank

Debt management offices are continuing to face many challenges, particularly with increased uncertainty in the global financial markets and in some countries, higher debt levels. Debt managers may therefore face additional funding pressures to meet government financing requirements particularly for infrastructure development requirements and growth targets. Against this backdrop, debt managers have seen a sharp increase in interest rates driven by the US Federal Reserve. Some countries are reaching levels of debt that are approaching or exceeding debt sustainability thresholds. This session will draw on the experiences of experts from a selection of debt management offices to outline the challenges that they each are facing in the current global environment.

11:50 am–12:05 pm **Open Discussion**

12:05 pm–12:45 pm **Session 8: Outlook for the Investment Management of Reserves**
Format: Presentation

Speakers:	Ms. Charity S. Malto, Chief Investment Analytics Officer, Financial Markets, Bangko Sentral ng Pilipinas
	Mr. Shaokai Fan, Global Head of Central Banks, World Gold Council

Moderator: Mr. Deepak Taneja, Principal Treasury Specialist, Asian Development Bank

In this session, we consider the current trends and challenges for reserve managers in Asia. This session will cover:

- *Reserve accumulation in Asia*
- *Appropriate balance between risk and return, degree of public disclosure*
- *Integrating environmental, social and governance (ESG) criteria—having a meaningful impact on risk and return outcomes*
- *Gold as a reserve asset*

12:45 pm–1:00 pm **Open Discussion**



2022 Asian Regional Forum on Investment Management of Foreign Exchange Reserves



1:00 pm–2:00 pm **Lunch Break**
Venue: Acacia

2:00 pm–2:45 pm **Session 9: Conversation: Changing Role of Central Banks – An Asian Perspective**
Format: Conversation

Speakers:	Mr. Diwa C. Guinigundo, former Deputy Governor, Bangko Sentral ng Pilipinas
	Mr. Giri Koorniaharta, Group Head, Reserves Management Department, Bank Indonesia

Moderator: Ms. Sukhumarn (Pinky) Phanachet, Deputy Treasurer, Asian Development Bank

Central banks play a crucial role in ensuring economic and financial stability. Since the global financial crisis, central banks have expanded their toolkits to deal with risks associated with financial instability and volatile exchange rates. In a climate of intensifying geopolitical risk, slowing global growth, looming trade tensions and effects of unconventional monetary policy, we have a seasoned former Central Banker providing an Asian perspective on the changing role of central banks.

2:45 pm–3:00 pm **Open Discussion**

3:00 pm–3:20 pm **Coffee Break**

3:20 pm–4:30 pm **Session 10: A View from the Issuance Side**
Format: Presentation

Speakers:	Mr. Siegfried Ruhl, Hors Classe Adviser, Directorate General for Budget, European Commission
	Mr. Ian Clunies-Ross, Head, Investor Relations, Australian Office of Financial Management
	Mr. Yasuaki Inada, Deputy Director, Office of Debt Management and JGB Investor, Debt Management Policy Division, Financial Bureau, Ministry of Finance, Japan
	Mr. YeeFarn Phua, Director, Asia Pacific Sovereign Ratings, S&P Global Ratings

Moderator: Ms. Priti Sinha, Treasury Specialist, Asian Development Bank

In this session, our speakers will provide a global and regional perspective and comment on developments around the issuance of bonds, the evolution of sovereign ratings and impact of changes in bank and financial market regulation on primary and secondary debt markets. What does this mean for investors? Will liquidity in government and corporate bond markets be affected? What can issuers do to make their bonds more attractive to central banks, sovereign wealth funds, and institutional investors? How are ESG factors going to affect sovereign issuers? This session will also cover ratings outlook for selected sovereigns.

4:30 pm–4:45 pm **Open Discussion**

4:45 pm–5:00 pm **Closing Remarks**
Mr. Pierre Van Peteghem, Treasurer, Asian Development Bank