

Asia Pacific Financial Forum The Melbourne Symposium

Advancing The Agenda For Asia-Pacific Financial
Development and Integration

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Agenda

- **The APFF**
- **Capital Markets**
- **Capital Markets Work Stream**
- **A Crowded Regional Landscape**
- **How The APFF Adds Value**
- **The Numbers**
- **Initiatives**
- **Need For Cooperation**

The APFF

- A regional platform for public-private collaboration to enable financial markets and services to better serve the region's broad economic goals.
- Aims to accelerate the development of sound, efficient, inclusive and integrated financial systems.

Six areas of focus:

- Lending Infrastructure
- Trade and Supply Chain Finance
- **Capital Markets**
- Financial Market Infrastructure and Cross Border Practices
- Insurance and Retirement Income
- Linkages and Structural Issues



Capital Markets

Important For:

Financial
stability

Economic
growth

Efficient
channeling
of savings

Recycling of
savings in
region

“Efficient, liquid domestic bond markets would facilitate channeling of the region’s excess savings into regional investments rather than into investments outside the region, thereby reducing Asia’s vulnerability to financial shocks”

– Asian Development Bank
Asian Capital Market Development and Integration, 2014

Capital Markets Work Stream

A number of regional and domestic initiatives

Rapid growth of Asian government bond markets

Increasing market depth and liquidity critical next step

APFF is focusing on:

- Development of classic repo markets and derivatives
- Promoting the availability of information for capital market investors
- Supporting successful Asia Regional Funds Passporting launch
- Enabling legal infrastructure for derivatives
- Financial market infrastructure and cross-border practices

A Crowded Regional Landscape

Global Organizations

- G20
- FSB
- IMF
- IOSCO
- Basel

Regional Organizations

- APEC
- ASEAN
- EMEAP
- ADB
- PECC

Financial Initiatives

- ABMI
- ACMF
- Chiang Mai
- Bogor 2020
- AEC 2015

How The APFF Adds Value

- Expand and harness private sector engagement
- Help identify and address crucial gaps and unintended consequences of regulatory changes
- Help region's authorities take a more active role in shaping global standards
- Promote collaboration/synergy among public, private and multilateral bodies



Summary of April 2013 Sydney Symposium

The Numbers: Asia Pacific

Regional AUM

Predicted to rise to \$16.2 trillion by 2020 from a 2012 total of \$7.7 trillion. A CAGR of 9.8%

Regional Pensions

Assets predicted to grow by 9.5% a year to reach \$6.5 trillion by 2020 from a 2012 total of \$3.2 trillion

Mass Affluent

Expected to rise to \$43.3 trillion by 2020 from \$20.5 trillion. CAGR of 9.8%

HNWI

Expected to rise to \$22.6 trillion by 2020 from \$12.7 trillion in 2012. CAGR of 7.5%

The Numbers: Global

Global AUM

Predicted to rise to \$101.7 trillion by 2020 from a 2012 total of \$63.9 trillion. A CAGR of 6%

Global Pensions

Assets predicted to grow by 6.6% a year to reach \$56.5 trillion by 2020 from a 2012 total of \$33.9 trillion

Mass Affluent

Expected to rise to \$100 trillion by 2020 from \$59 trillion. CAGR of 6.8%

HNWI

Expected to rise to \$76 trillion by 2020 from \$52 trillion in 2012. CAGR of 4.9%

Asset Management 2020: A Brave New World (PwC)

Initiatives: Global

- **Basel III implementation**
- **Recovery and resolution regimes**
- **Central clearing and reporting of derivatives**
- **FX benchmarks**
- **OECD common reporting standards**

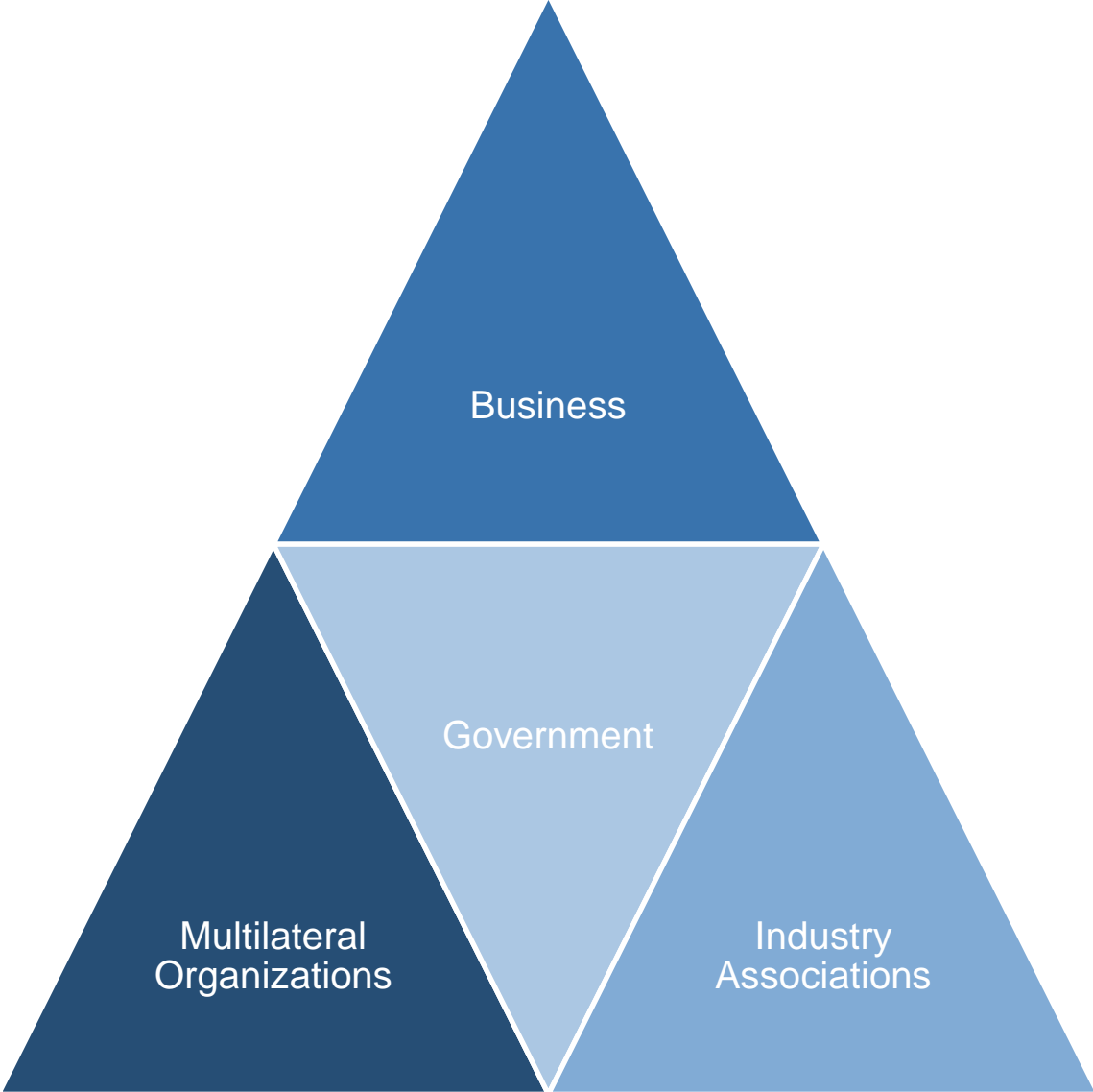


Initiatives: Regional

- Pensions
- Healthcare
- Education
- Infrastructure
- Environment



Need for Cooperation





The End