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CENTER

ON JAPANESE

ECONOMY

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GLOBALIZATION AND THE FUTURE OF JAPANESE BANKING: HOW REFORM, CONSOLIDATION AND FOREIGN COMPETITION ARE TRANSFORMING JAPANESE BANKING

MAY 2, 2000

Japanese Banks are riding a wave of consolidation in the international financial industry as they strive to regain a competitive edge and overcome billions of dollars in bad loans made in the 1980s. Unfolding bank reforms and increasing foreign competition are shifting the rules of the games for Japanese banks, which must also deal with new Internet-led technological advances. ■ *On May 2, 2000, the Center on Japanese Economy and Business, Columbia University, and the Japan Society of New York, together with the support of the G7 Group, Inc., held a half-day international conference featuring leaders from both the private and public banking sectors in Japan and the United States. Drawing on the U.S. as well as the Japanese experience, discussions focused on business and policy aspects of bank consolidation, as well as the changing regulatory environment. The impact of the Big Bang, the rapid consolidation within the industry, the Internet, and the emergence of new competitors, including increased foreign competition, were explored by distinguished American and Japanese speakers.* ■ *Excerpts of their presentations are presented below along with highlights of the intra-panel and audience discussions.*

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How Will the Japanese Financial System Thrive in a Worldwide Consolidation of Financial Services?

JOHN S. REED
former Co-Chairman and Co-CEO, Citigroup, Inc.

The global financial system is bi-modal. In Europe, the United States, and places such as Singapore and Brazil, the banking, insurance, and brokerage businesses serve their societies quite well. They are well-capitalized, seemingly well-managed, and record spectacular returns. In the rest of the world, however, these same businesses are fundamentally paralyzed. Their balance sheets contain a large proportion of non-performing loans, their earnings power is fundamentally impaired, and their ability to serve customers and extend new facilities is significantly limited. This is a serious problem for the economic growth and development of a great majority of countries, from Japan, Korea, Thailand, and Indonesia to Mexico, Turkey, and Poland, and then more broadly Russia and China.

In the healthy part of the world, fundamental economic forces are driving rapid consolidations of the industry. Since world demand for financial services is relatively predictable, top-line revenue growth in the industry has been and will continue to be stable. Also clear economies of scale are associated with being in a top-tier position, thus driving suppliers in North America, Europe, Japan, and elsewhere to improve their market position through consolidation.

The continued development of capital markets also affects the intermediary and supplier institutions surrounding them. The development of the Euro, for example, is causing individual capital markets of member states to come together, as the joining of the British and German stock exchanges well illustrates.

The Internet will also have a profound impact on the nature of capital markets as well as on the structure and functioning of financial institutions. By facilitating the communication that

FOR COUNTRIES THAT ARE EXPERIENCING PROBLEMS WITH THEIR FINANCIAL INDUSTRY A TENSION IS REVEALED BETWEEN THE FUNDAMENTAL RULES OF THE MARKET AND THE RELATIONSHIPS THAT DERIVE FROM SOCIETY AND ITS TRADITIONS.
-REED

John S. Reed

ULTIMATELY, TO PLAY AN APPROPRIATE ROLE IN THE WORLD, JAPAN'S BANKING SYSTEM MUST BECOME PROFITABLE, WITH A SENSE OF VISION AND PURPOSE.
-REED

leads to a transaction, the Internet reduces costs and improves the effectiveness of financial institutions. This will lead to the continued structural adjustment of institutions in the industry. The experience of Citigroup, for example, shows how an institution can successfully turn into a single supplier of commercial banking, traditional investment banking, and capital markets skills. To the extent that this model turns out to be a profitable one, other institutions will begin to copy it.

For countries that are experiencing problems with their financial industry a tension is revealed between the fundamental rules of the market and the relationships that derive from society and its traditions. It is this tension between rules and relationships that has described the evolution of the banking system in Japan and other countries.

The first rule is that losses must be recognized. When a country experiences severe economic discontinuity, financial institutions can find themselves with balance sheets containing mispriced assets. Under a mark-to-market philosophy, these institutions will experience tremendous losses. In Japan's post-bubble economy, for example, assets on the balance sheets of Japanese banks and insurance companies were mispriced. Over the last decade, the Japanese banking system has written off approximately 13 percent of its total assets, with more write-offs still to come. The banks are absorbing these losses through earnings and hidden reserves, but it is taking a long time, and in the meantime the institutions are unable to perform their normal function in society.

The second rule is to mark assets to market, in other words to develop a secondary market that attracts new capital at the price level at which the assets have come off the balance sheet. This has not yet happened in Japan.

Once the system has moved into a more profitable position, the third rule is for individual institutions to foster a strong sense of vision and purpose.

Now what about relationships? Americans embrace the idea that it is a cold, hostile world out there, and by and large banks are expected to live by the rules. Those who cannot are absorbed by others. In other societies, however, the government may actually inject capital into the banking system. This puts the government in a position where it can force consolidations or market openings. In such cases one societal rule is clear: the government eventually owns the deposit risks. No modern government will allow depositors to take significant losses in the financial sector.

In sum, the path that lies ahead for Japan is very similar to that of any other country with a deeply troubled financial system. It must recognize its losses through the establishment of a robust secondary market for financial assets. There has been an injection of capital from the Japanese government and a market opening that has allowed foreign investors and non-traditional sources of financial services to enter the market place. Ultimately, to play an appropriate role in the world, Japan's banking system must become profitable, with a sense of vision and purpose.

Discussion

Q: How do Japan's low interest rates impact its willingness to restructure?

Reed: Interest rates are nothing but the value of time. When interest rates are high, banks with a non-performing portfolio will go bankrupt in two or three months. However, in an environment of extremely low interest rates, banks are not forced to move quickly. They have the luxury of time because there is no opportunity cost.

Q: How were American banks convinced of the need to write down their non-performing loans in order to restore their profitability?

Reed: Each month we were forced to mark-to-market every real individual estate loan, and it was an aggressive market in a very difficult regulatory environment. This is where relationships can come into play. In other societies it is difficult for regulators to be as aggressive because the financial institutions are more deeply embedded in the structure of the society.

Timothy Collins

German banks, for example, found it very difficult to recognize their exposure to Russia in part because the German government had encouraged them to lend to Russia and changing the rules was complex.

Q: What is the role of governance in speeding recovery?

Reed: In the case of Citibank, the Board played an extremely important and constructive role. Although the directors believed that management had properly recognized the full extent of the difficulties, and that we had made adequate plans for dealing with the problems, they did not feel that management was capable of carrying out the corrective action.

We agreed to make the necessary management and structural changes. We created a Committee of the Board that monitored management behavior on a monthly basis, and we were successful. In our case, the Board was comprised of all external directors, and they were more than willing to challenge me. This kind of thing is impossible to do with a Board that is completely internal or does not believe that they are fundamentally responsible for the performance of the institution.

Lessons Learned from the Long-Term Credit Bank

TIMOTHY COLLINS
Senior Managing Director and CEO, Ripplewood Holdings

The Long-Term Credit Bank's strategy in the United States has been industry-focused and premised exclusively on our ability to use private capital as a catalyst for value creation. We always partner with senior industry executives who validate a strategy and then lead its execution. We are applying this same "measure twice and cut once" style of investing to our activities in Japan.

Early on we identified several changes required in the Japanese financial system. The first step

ULTIMATELY, RESTORING ECONOMIC HEALTH WILL REQUIRE THE RESTRUCTURING OF TROUBLED CORPORATE BORROWERS.
—COLLINS

THE KEY TO THE HEALTH OF THE JAPANESE FINANCIAL SYSTEM IS THE ENHANCED PROFITABILITY OF NON-FINANCIAL ENTERPRISES.
—COLLINS

was to restore confidence. The Japanese government's policies over the last 18 months have been quite successful in enhancing competence in the system. The next big challenge is to retune the capital allocation process and to acquire the requisite skills.

One of the major antecedents of Japan's financial crisis was the breakdown in its credit analysis process. Basically, capital was allocated to projects and companies that had little possibility of providing an adequate return. Today we see the opposite trend occurring: many worthy projects are not being financed. Ultimately, restoring economic health will require the restructuring of troubled corporate borrowers.

Japan's economic system is crumbling under the weight of inappropriate and outdated policies. In the immediate postwar period, capital and skilled labor were the principal constraints to growth. Low-cost debt provided the necessary capital and through increased market share Japan became the most leveraged economy in the world. Unfortunately, these policies worked to create enterprises that operated with a dangerous combination of high fixed costs and high fixed charge payments. In many cases, projects with expected returns of 4 to 5 percent actually lost money. The real estate bubble further exaggerated the misallocation of resources to projects that had no hope of earning their cost of capital.

In contrast, the United States suffered decades of bitter labor-management relations and a slide in engineering and manufacturing that led to low quality processes and products. As a result of tax cuts, tight monetary policy, deregulation, corporate downsizing and the birth of the new information enterprises, a resurgence in corporate profits refueled a robust expansion.

Japanese companies, on the other hand, still use leading-edge processes to make world class products, and their state-of-the-art plants are characterized by relatively harmonious labor relations. Under these circumstances, replicating the U.S. experience might well lead to worker backlash, reversal of public confidence, disrupted supplier relationships, and pressures for the government to create a large government safety net. In an economy where entrepreneurship and risk capital are greatly needed, fewer would be willing to take risks. In an economy where increased consumer spending is needed, consumers would be less inclined to spend.

Japanese government, businesses, and other stakeholders have shown a willingness to adapt principles that have worked elsewhere. The government's role so far has been pivotal and has set the course. The next round must be led by the corporate sector, entrepreneurs, and investors. The key to the health of the Japanese financial system is the enhanced profitability of non-financial enterprises. There are many positive signs: expenditures on information technology have grown, entrepreneurship is increasing, and the Internet is poised to have a large impact on Japan.

The Japanese economy must now find its own model for economic resurgence, and the LTCB is committed to playing an important role. We are investing heavily in technology and training to enhance the skill base of our current professional staff. Our goal is to provide capital, advice, and other financial products and services that add value to our corporate and retail customers. In addition, we are charged by our partners and investors to manage our assets prudently.

We have three priorities: first, to determine how best to manage our current asset portfolio; second, to better understand the requirements of our existing customers; and third, to build the skills needed to deliver those products and services efficiently and effectively.

Discussion

Q: What is the timeline for restructuring the LTCB?

Collins: Restructuring has already begun. From a financial point of view we have an enormously sound balance sheet. We have enormous liquidity and benefit from a relationship with the DIC that protects us from future asset erosion. So we can be very aggressive in meeting the service requests of our customers. Although we have only been at the helm for seven or eight weeks, we have already brought in a number of new and very talented technical experts in MIS, credit analysis and restructuring, and real estate. It is a multi-sphere, multi-stage project that will evolve and restructure indefinitely into the future.

Perspectives on Reform, Consolidation, and Foreign Competition in Japan's Banking Industry

SHOJI NOGUCHI
General Manager and Managing Director, Industrial Bank of Japan

The merger of the Industrial Bank of Japan (IBJ), Fuji Bank, and Daiichi Kangyo Bank (DKB) was intended to ensure our survival as key players in the global financial services industry. The merger had several positive results, including streamlining and cost reduction (i.e., personnel were cut by 20 percent, and branches were reduced from 778 to 548), and strengthening our presence in the Japanese retail business. Some 37 percent of our projected profit in the year 2005 is expected to come from this business.

Together our institutions expect to pursue a range of new business opportunities, including both wholesale and investment banking. Although equity underwriting has only been permitted quite recently, we have strengthened this capability as well. Mergers and acquisitions represent another recent and growing area of business. E-business is also very strong in Japan, especially business to consumers. IBJ has launched a number of successful efforts in the business to business market as well. And since many of these new lines of business create fees instead of spreads, we have a new, healthier business model with less risk of default.

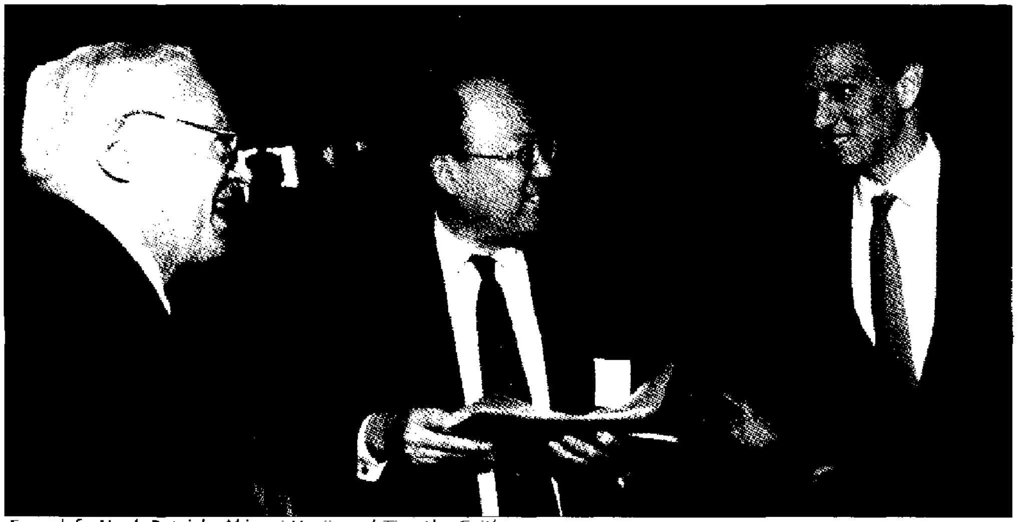
We have learned a great deal here in the United States and these lessons will be integrated into the Japanese financial market in the near future. Through the consolidation of our three banks we hope to realize important synergies in many of these new areas. We are working diligently to accelerate the speed of our integration.

WE HAVE LEARNED A GREAT DEAL HERE IN THE UNITED STATES AND THESE LESSONS WILL BE INTEGRATED INTO THE JAPANESE FINANCIAL MARKET IN THE NEAR FUTURE. —NOGUCHI

YUKIKO OHARA
Banking Analyst, Ito Yokado

According to a statement made by John Reed, "U.S. banks decided to merge, or consolidate with other banks when they were strongest. But for some reason, Japanese banks decide to merge or consolidate when they are weaker or weakest." This difference may very well capture what is wrong with the Japanese

Hugh Patrick, Akinari Horii, Yukiko Ohara, Shoji Noguchi.



From left, Hugh Patrick, Akinari Horii, and Timothy Geithner

banking sector.

An analyst examining a merger in the U.S. banking sector knows exactly which CEO will assume leadership and what business model the consolidation will follow. Even more importantly, before the merger or consolidation takes place, U.S. banks have already finished their restructuring process. When a merger occurs in Japan, however, many of the institutional fundamentals are still weak, and it is not unusual for the banks to spend another two years or more restructuring, deciding on a business model, and choosing a permanent CEO. Under these circumstances it is very difficult for the consolidated organization to realize its potential strength.

WHEN A MERGER OCCURS IN JAPAN, HOWEVER, MANY OF THE INSTITUTIONAL FUNDAMENTALS ARE STILL WEAK, AND IT IS NOT UNUSUAL FOR THE BANKS TO SPEND ANOTHER TWO YEARS OR MORE RESTRUCTURING, DECIDING ON A BUSINESS MODEL, AND CHOOSING A PERMANENT CEO.

—OHARA

The purpose of establishing a bank is to meet the needs of customers, and Ito Yokado Group's goal is to do just that. Famous in Japan for being the strongest retail company, the group operates convenience stores (7-Elevens) and restaurant chains (Dennys Japan). Of its approximately 10,000 outlets, some 8,200 are 7-Elevens in Japan. According to one survey, 90 percent of the Ito Yokado Group's customers would like more access to financial services in the store, such as the convenience of paying their public utility bills at the 7-Eleven counter. The Ito Yokado Bank plans to provide more of these kinds of services.

The business model of this new bank will follow three steps. The first is to establish a safe, open, and efficient settlement infrastructure by setting up 6,000 to 8,000 ATMs. The second step involves the introduction of a card business that connects many kinds of financial institutions and functional or settlement services. The third combines this real ATM network with a virtual Internet network so that either party can access the ATM service. In sum, the goal is to launch a settlement-service retail banking system that is driven by real consumer needs.

AKINARI HORII

General Manager, America's Division, Bank of Japan

What we are witnessing in the consolidation and restructuring of Japan's banking system is not an end, but a beginning. Whether or not it will lead to a sound, healthy banking industry remains to be seen. It depends in part on our ability to remove a large amount of non-performing assets from our balance sheet. But another formidable task remains before us as well: how to improve profitability on our income statements.

Consolidation is certainly one way to reduce costs. However, with regard to over head and other expenses, Japanese banks actually outperform their U.S. counterparts with regard to overhead and other expenses. Moreover, Japan's recent bank mergers suggest trends toward increased economic health rather than weakness. In all cases, scheduled workforce reductions of merging Japanese banks exceed those of merging American banks in the early 1990s.

The weakness of Japanese banks lies more on the revenue side. First, there is the issue of extending credit analysis beyond the simple matter of collateral (or land). Hopefully NTCB will help establish the practice of lending at a slightly higher rate to borrowers without collateral. Second, there is the formidable stumbling block of seventy trillion yen in loans made by governmental housing corporations. This is a handicap to Japanese banks when they compete in the market place for fair-priced lending.

To conclude, the government's structural reforms must move forward hand-in-hand with private-sector initiatives to improve Japan's banking and financial systems.

Discussion

Q: Should the Japanese government phase out its official financial institutions, including the post office savings system?

Horii: Reform has actually begun. In the past, all money collected from the public sector through the postal savings system and the government pension fund was transferred to the Ministry of Finance Loan Trust Fund and then on for lending to other government financial institutions. Increasingly market elements are being introduced into this system. This should result in some pressure on government institutions to lend at higher, market-related interest rates. The government's large budget deficit is likely to create even more political pressure for reform of the public sector financial systems.

Q: Is there any movement towards adopting corporate governance reforms in Japanese banks?

Noguchi: Corporate governance is certainly a key issue. Another is the cultural barrier of language. A first step may be to seek the advice of an external advisory board. A second may be organizing an outside board of directors, as long as the individual directors are each of high quality.

Horii: At the same time, bank regulators, auditors and shareholders are placing increased emphasis on improved corporate performance. During the past 12 months, many of the shares owned under the co- and cross-share holding systems have been bought by American and European investors who are very much interested in return on investment.

Ohara: From an analyst's perspective, management's evaluation and compensation should be based on daily operating performance. This will focus all managers and corporate leaders on the success of the operation. In this way, if they do not act responsibly they will be held accountable.

Patrick: We make an American mistake by focusing too much on the issue of outside board directors. As Mr. Horii and Ms. Ohara have pointed out, the more important issues are those that will change management behavior, including performance pressures for profitability as reflected in stock market price. In particular, these include auditing and consolidated bookkeeping, disclosure requirements, and a tougher supervisory and regulatory environment.

JAPAN'S RECENT BANK MERGERS SUGGEST TRENDS TOWARD INCREASED ECONOMIC HEALTH RATHER THAN WEAKNESS.
HORII

Global Policy Issues from a U.S. Perspective

TIMOTHY F. GEITHNER
Under Secretary of the Treasury for International Affairs

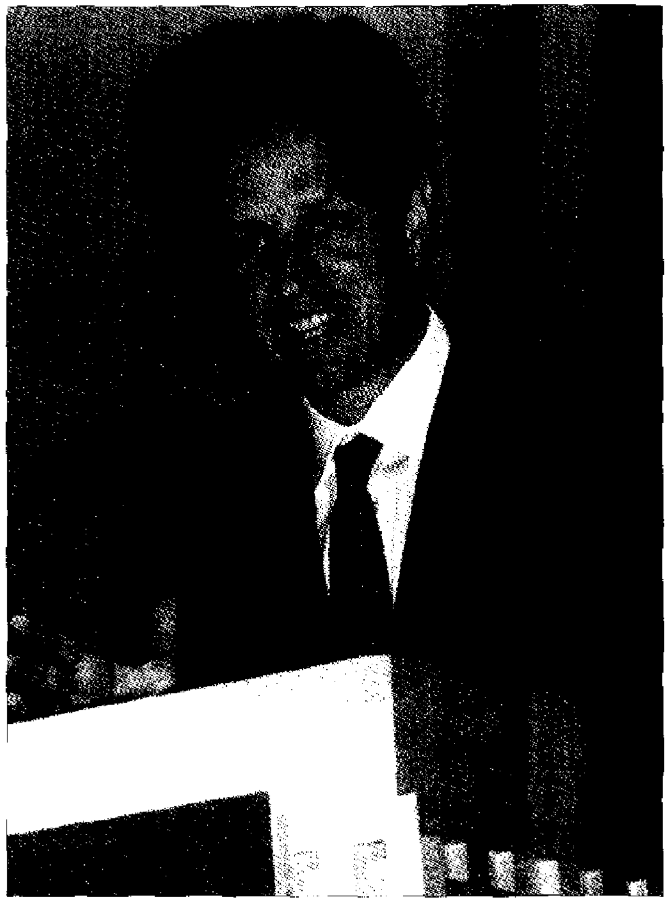
The most important factor in determining the prospects of a more durable Japanese financial system will be an improved performance of the real economy. A strong recovery will help provide the cushion necessary to ease the substantial restructuring that is still necessary in the system as a whole. It will depend on a number of factors: the balance of macroeconomic policies; the scope and depth of the broader processes of structural reform; and ongoing efforts to reform the financial system.

Macro-economic policy appears to be directed at strengthening domestic demand, until a stronger, more durable recovery is in place. This will probably require further stimulus measures later in the year. Japan also faces a formidable medium- to long-term fiscal problem. However, with the low net debt held by the public sector, the greatest challenge will be a failure to generate growth or another premature effort at consolidation. The central bank will want to maintain a fairly accommodative stance until the risks of deflationary pressures have been dispelled.

The prospects for broader structural reform will also be increasingly critical, in particular Japan's capacity to adjust to the challenges of integration and to take advantage of emerging technologies. Evidence suggests that significant restructuring is now underway: manufactured imports are almost double the share of domestic sales that they were fifteen years ago; foreign direct investment is up; and there is a substantial foreign presence in over half of the auto-sector as well as a set of high-profile acquisitions in the financial and other sectors.

As a result, the gap has narrowed between Japanese prices and world prices. Bankruptcies have been rising even as the economy is trying to recover, which suggests that a broader process of adjustment is underway. Investments are growing very rapidly in the so-called new economy sectors, and there are signs of increased labor market activity.

JAPAN IS STILL AT THE VERY EARLY STAGES OF DEALING WITH ITS FINANCIAL PROBLEMS AND THE CUMULATIVE COST OF A DECADE OF GRADUALISM AND FORBEARANCE.
—GEITHNER


Timothy Geithner

Yet, Japan remains less open than other major industrial countries. In large parts of the economy, regulations are sustaining the dominant domestic competitors and preventing their exposure to foreign or any other competition. For example, because of high telecom charges, Japanese consumers pay two to three times what consumers in other countries pay for access to the Internet. In this sense, Japan is still defined by old pressures to sustain the weak at the expense of the whole—to moderate competition, to manage pressures for change, and to maintain the stability of the firm. No one knows the degree to which these arrangements can be sustained in a world where economic growth is primarily dependent upon resilience and flexibility, tolerance for failure, and the ability to deliver capital and labor resources where they can be used most efficiently.

The Japanese financial sector once served as a reliable prism through which to view the features of the Japanese economy as a whole. The system was highly regulated and relatively closed to new entrants, both foreign and domestic. Under the convoy system, no bank was too small to be saved from failure. An elaborate system of controls and approval requirements guided the flow of cross-border capital movements. Disclosure was discouraged, and any differentiation in performance was masked.

Over the past decade, much of this landscape has fundamentally transformed. Change has come partly as a result of the recognition that the old system was poorly suited to the challenges of Japan today and partly as a result of the pressures of the financial crisis. Today's system is more open to competition and innovation, less segmented, more transparent, and somewhat less bank dominated. These changes have been complemented by a broad array of impressive steps to strengthen and restructure the banking system.

Yet Japan is still at the very early stages of dealing with its financial problems and the cumulative cost of a decade of gradualism and forbearance.

The most important challenges ahead include:

Accelerating asset disposal and the corporate restructuring process. The Japanese financial system is still sitting on an extraordinary amount of non performing loans. Tying up capital and resources in idle and poorly managed assets presents a potentially significant burden on the system and the economy as a whole. It contributes to a greater risk premium on financial institutions than would otherwise exist; it operates as a large overhang of pressure on some asset markets; and it increases the ultimate fiscal costs of the government's intervention in the financial sector.

Strengthening disclosure. Japanese authorities still permit a variety of accounting disclosure practices that enable Japanese institutions to overstate the level and quality of capital, loans and other assets on the books. This engenders a level of uncertainty about the underlying financial condition of institutions that carries potentially significant costs to the system.

Improving the supervisory framework. The present regulatory and supervisory system can use greater discretion in intervening for weakening banks, forcing greater disclosure, and using prompt corrective action. The resolution mechanism still has not been applied to the ongoing challenge of dealing with weaker institutions. Going forward, the new supervisory authorities and regulators will have to learn to deal with the increasing complexity and global nature of financial institutions. Effective supervision now requires the encouragement of systems that allow firms to measure and control their global risk across entities.

Exploring new areas for innovation and competition. Liberalization of the domestic system and the old foreign exchange law has been accompanied by a substantial increase in the presence of foreign financial institutions. In many areas, the extent of progress has significantly exceeded the commitments. Looking ahead, the most important areas for further progress lie in the pension fund business and in the broader fairness and transparency of the regulatory process.

Looking across emerging Asia we can see many successful examples of recovery based on aggressive efforts to reform and strengthen the financial system. These efforts contrast dramatically with the gradualist approach adopted by Japan. Nevertheless there is renewed hope that a greater recognition of the costs of past delays will prevent an early loss of momentum on financial reform. This is important to Japan and important to us. Japan's ability to take advantage of the technological change that offers much higher rates of growth depends importantly on the strength and resilience of its financial system.

THE JAPANESE FINANCIAL SECTOR ONCE SERVED AS A RELIABLE PRISM THROUGH WHICH TO VIEW THE FEATURES OF THE JAPANESE ECONOMY AS A WHOLE.
—GEITHNER

Discussion

Q: What advice would you give to Japanese politicians who may not understand how costly incrementalism is for the Japanese banking system?

Geithner: Financial reform policy will be better the more removed it is from politics. Japan has some highly competent mandarins who are quite capable of synthesizing best practices from other experiences and applying them to Japan. My

THE GREATEST PROSPECTS FOR A FAVORABLE ADJUSTMENT OF GLOBAL IMBALANCES LIE IN NARROWING THE SIGNIFICANT GAP BETWEEN POTENTIAL GROWTH RATES IN THE UNITED STATES, JAPAN, AND EUROPE.
—GEITHNER

advice would be to give Japan's supervisors and regulators the power to act, insulate them from industry pressures to slow down the pace of change, and then hold them accountable for fixing the system.

Q: What role did the U.S.-Japan financial negotiations play in fostering positive change in Japan's financial scene?

Geithner: I would be reluctant to overstate the role we played, although the negotiations did foreshadow much of what was eventually codified in law in the "big bang." We were most successful when we picked issues that had substantial domestic support for change.

Q: You commented that the Japanese financial system should not create global imbalances. But with 3.7 percent inflation, many would argue that the largest source of global imbalance is the United States.

Geithner: The greatest prospects for a favorable adjustment of global imbalances lie in narrowing the significant gap between potential growth rates in the United States, Japan, and Europe. Most economists would say that U.S. potential growth is now approximately 3.5 percent, Europe's is 2.5 percent, Japan's is 1.5 percent. This disparity will be quite costly to the world going forward. It would be best if a narrowing occurred through sustained improvement of overseas growth rates.

From left, William Clark, Jr. John S. Reed, Timothy Collins, Yukiko Ohara, Hugh Patrick, and Shoji Noguchi.

国際シンポジウム

「グローバリゼーションの進展と日本の金融・銀行システムの将来」

2000年5月2日
於 ニューヨーク・ジャパン・ソサイアティー

コロンビア大学ビジネススクール日本経済経営研究所とニューヨーク・ジャパン・ソサイアティは、G7グループの後援のもと、「グローバリゼーションの進展と日本の金融・銀行システムの将来」というテーマで国際シンポジウムを行った。シンポジウムでは、ジョン・リード・シティー・グループ前会長兼CEO、ティモシー・コリンズ・リップルウッドCEOの講演、さらに、現在再編途上にある邦銀の状況及び今後の展望につきパネル・ディスカッションが続いた。パネリストは、野口章二日本興業銀行常務取締役、小原由紀子イトーヨーカドー顧問、堀井昭成日本銀行ニューヨーク駐在参事の三氏で、進行をヒュー・パトリック教授（コロンビア大学ビジネススクール）が務めた。最後に、ティモシー・ゲイスナー財務省国際経済担当次官が講演し、米国の政策担当者の視点から日本の金融システムに係わる諸政策について論じた。以下ではシンポジウムでの講演及び討議内容を簡単に紹介する。

ジョン・リード氏は、金融機関に不良債権の発生などの問題が生じた場合、いわゆる「市場のルールによる解決」か「政府を含めた関係当事者間による解決」のどちらに重心を置くかという難しい判断をどこの国でも迫られる点を強調。その上で、日本に関しては、mark to market による資産評価を徹底し、金融資産の secondary market における取引を増やすことが金融システム再構築のための早道と指摘した。

ティモシー・コリンズ氏は、バブル期以降の日本経済の最大の問題は、リターンの低いプロジェクト（あるいは企業）に銀行貸出の形で資金が大量に流れてしまったこと、と指摘。その意味で、企業及びプロジェクトに関する金融機関の信用評価能力の形骸化が日本の金融システム危機の大きな原因であった、と論じた。その認識のもと、新LTCBは、1)保有する資産ポートフォリオの最適化、2)顧客ニーズの把握、3)求められる商品・サービスを的確に効率よく提供できる人材の整備、を当面の経営目標の中心に据える、と述べた。

パネル・ディスカッションでは、邦銀が今後いかに収益性を高められるのかが、議論の中心となった。野口氏が、新たなビジネス分野の潜在的収益力及び３行統合によるシナジー効果を重視し、どの分野にも経営資源を注入していくことを是としたのに対して、小原氏は強力なリーダーシップの欠如が期待される収益性実現の障害になると指摘。堀井氏は銀行の再編・合併はコスト削減の効果は期待できるものの、収益面でははっきりした効果が期待できないのでは、と懸念を示した。

ゲイスナー氏は、経済ファンダメンタルズが金融システム問題の解決には不可欠であるとし、その意味で、日本経済の構造変化の予兆を評価。金融システムの正常化に向けての政策課題としては、1)不良資産の処分と企業リストラのスピード・アップ、2)会計情報の開示の徹底、3)銀行監督システムの改善、4)金融システムの革新と競争を促す環境整備、の4つを指摘した。

EDITED BY

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