

Press Release

Commonwealth Bank of Australia wins The Asian Banker Achievement Award for Risk Management

- **Commonwealth Bank of Australia's steady hand in dealing with global financial crisis earns it the region's top award for risk management commercial banking industry**
- **Rigorous selection process chaired by Mr David Eldon, Chairman, Board of Directors, Dubai International Financial Centre Authority and former Chairman of HSBC Asia Pacific.**
- **International jury uses comprehensive selection criteria.**

Singapore, April 19, 2010 – The Asian Banker Industry Infrastructure Awards were announced today in a ceremony in Singapore. An exclusive audience of top industry leaders from around the world witnessed the award ceremony for 18 of the top professionals and organisations in the banking industry in the Asia Pacific and Gulf region.

This is the highest award programme of its kind for individual and institutional achievement in the banking industry in the Asia Pacific region today. The award looks at the long-term performance of bank leaders by assessing them over a three-year period, and plays an important role in cultivating a culture of excellence among leaders and senior management in the banking industry in Asia and the Gulf Region.

“Our programme takes the idea of sustainability very seriously, and by looking at this particular three-year period—2007-2009—we can see whose strategy has been built with the care required to remain strong through a major financial downturn,” says Emmanuel Daniel, president of The Asian Banker. “The winners of this year’s award have designed real long-term strategies and implemented them; their institutions and countries have benefited as a result.”

An audience of top industry leaders from around the world witnessed the awards ceremony for 18 of the top chairmen, CEOs, and business leaders. Among the honoured guests were Neel Kashkari, former Assistant Secretary, US Treasury and head of the TARP Programme, Ronald Arculli, Chairman, Hong Kong Exchanges and Clearing, David Conner, Vice Chairman and CEO, OCBC, Han Mingzhi, director general, China Banking Regulatory Commission, China, David Eldon, Chairman, Dubai International Financial Centre and Chairman, The Asian Banker Summit Advisory Council, Cesar Virata, vice chairman, RCBC Bank, the Philippines, and Banthoon Lamsam, Chairman and CEO, Kasikornbank, Thailand.

The award ceremony was held in conjunction with The Asian Banker Summit, the largest gathering of financial services industry professionals in the Asia-Pacific region. The Summit is held annually in different Asian cities, and this year’s is held in Singapore with the full support of the Monetary Authority of Singapore and the Association of Banks of Singapore.

Among the key speakers at the event are Neel Kashkari, former Interim Assistant Secretary of the US Treasury for Financial Stability and Head of the Office of Financial Stability (TARP programme) and currently, Managing Director, PIMCO, Ásgeir Jónsson, Chief Economist, Arion Bank and author of the book 'Why Iceland?', Heng Swee Keat, Managing Director, Monetary Authority of Singapore (MAS), David Eldon, former Chairman of The Hongkong and Shanghai Bank Corporation Limited and currently the Senior Advisor of PricewaterhouseCoopers and Wee Ee Cheong, Deputy Chairman & Chief Executive Officer, UOB Chairman of The Association of Banks in Singapore.

• **Commonwealth Bank of Australia's steady hand in dealing with global financial crisis earns it the region's top award for risk management commercial banking industry**

Commonwealth Bank of Australia (CBA) demonstrated prudent risk management during the financial turbulence of 2009 as reflected in the group's overall asset quality and capital position. At a time when interest rates were declining and credit losses were mounting putting pressure on earnings, CBA undertook ALM positions so as to benefit from the declining interest rate environment.

The bank's commercial property exposure, which was below the market average even before the global financial crisis took hold, was further reduced to as much as half of those of its local rivals. It also increased its coverage of loans by increasing security in lending. On the retail side, important measures included the reduction of maximum Loan-to-Value Ratios (LVR), introducing a 5% minimum genuine savings deposit requirement for high LVR loans and implementing higher standards for loan serviceability tests.

The Group achieved Basel II compliance in early 2008 and remains so to date, while the CBA board has approved about \$100 million of funding for new risk databases and systems with the purpose of establishing a more robust and comprehensive risk management environment and risk tools.

• **Rigorous selection process chaired by Mr David Eldon, Chairman, Board of Directors, Dubai International Financial Centre Authority and former Chairman of HSBC Asia Pacific**

The independent panel of judges comprised of five notable international personalities:

Chairman:

Mr David Eldon, Chairman, Board of Directors, Dubai International Financial Centre Authority and former Chairman of HSBC Asia Pacific. Mr. Eldon is distinguished for his commitment to building the HSBC brand in Asia over nearly 40 years that saw several key acquisitions around the world.

Members:

Sir George Mathewson, Chairman Toscafund Holdings and former Chairman and CEO, Royal Bank of Scotland.

Dr Jeffrey Carmichael, CEO, Promontory Australasia and founding Chairman, Australian Prudential Regulatory Authority.

Mr Byung Chul Yoon, Chairman, Financial Planning Standards Board Korea and former Chairman of Woori Financial Group

Mr Cesar Virata, Corporate Vice-Chairman, Rizal Commercial Banking Corporation and former Prime Minister of the Philippines

• **International jury uses comprehensive selection criteria**

The assessment for the awards are made on four inter-related criteria:

- i. **Achievement of the Chief Risk Officer in the year under review.**
- ii. **Risk management infrastructure of the bank being Basel II compliant or better, including the use of the internal ratings based approach.**
- iii. **Quality of the balance sheet, including NPLs and provisioning relative to peers in the same market.**
- iv. **Examples of risk avoidance/risk mitigation.**

The Selection Process

The selection process began in January and ended in April, involving a team of four researchers. The initial selection is through a survey and desk research done by the research team at The Asian Banker. The identified candidates are then subject to further scrutiny through interviews with third parties, including local banking journalists and analysts who have had contact with the candidates, peers and third party reviews. The short-listed candidates are then submitted for a review by the board of advisors, based on a comparative evaluation done by the research team.

Appendix:

The full list of winners in three categories— Business Achievement Awards, Industry Infrastructure Awards, Supporting Industry Awards

The Asian Banker Business Achievement Awards

The Asian Banker Achievement Award for Islamic Finance
CIMB Islamic

The Asian Banker Award for Investor Relations in the Financial Services Industry
DBS

Bank M&A Integration of the Year
HDFC Bank and Centurion Bank of Punjab

The Asian Banker Achievement Award for Treasury and ALM Products and Services
DBS

The Asian Banker Industry Infrastructure Awards

The Asian Banker Award for Risk Management
Commonwealth Bank of Australia

The Asian Banker Supporting Industry Awards

The Asian Banker Achievement Award for Strategic Executive Search to the Commercial Banking Industry
Robert Walters - Mid Level Category
Kornferry - Senior Level Category

The Asian Banker Achievement Award for Legal Advice to the Commercial Banking Industry
Linklaters

About The Asian Banker

The Asian Banker is the foremost provider of strategic business intelligence in the financial services industry in the Asia Pacific and Middle East regions. The organization has offices in Singapore, Kuala Lumpur, Beijing and Dubai as well as representatives in Shanghai, London and New York. With a business that revolves around publications, research services, training and forums, the organization is highly regarded in the financial services community for its incisive and independent commentaries on developments in the industry. The company's website is www.theasianbanker.com.

For further information

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