

29<sup>th</sup> April, 2013

## Press Release

### OCBC's Gilbert Kohnke wins Risk Manager of the Year 2012

- Kohnke received this award for the foresight he possess in risk management, ensuring that OCBC has a comprehensive risk management measurement, monitoring, analytical and reporting system which ensures greater accuracy in managing risk.
- He was instrumental in implementing an integrated stress test to identify where the bank stood in times of crises.
- Kohnke is one of the very few Chief Risk Officers who managed to sustain their companies throughout the recent crisis and emerge relatively unscathed.

Jakarta, Indonesia, April 24<sup>th</sup>, 2013 – Gilbert Kohnke has been named as the winner of The Asian Banker's Risk Manager of the year 2012 during the 14<sup>th</sup> Asian Banker Summit. The ceremony was held at Ritz Carlton Kuningan in Jakarta on April 24<sup>th</sup> 2013.

Kohnke received the award for his excellent foresight in risk management, having helped develop OCBC's New Horizon III Strategy. Under his leadership, OCBC weathered the storm in the recent financial crisis, and emerged stronger. The bank's credit rating did not fall despite the subprime crisis that left no banks unscathed.

Kohnke spearheaded an integrated stress testing strategy which involved examining the impact of correlation and diversification that stemmed from a particular scenario, run across different risk classes to see the knock-on effects of the risk. Modeling event-specific stress scenarios such as a slowdown in China's economy, helped improve the ability of the bank's trading floor to anticipate such events and trade accordingly.

In accordance with Basel II calculations under Kohnke's guidance, OCBC's capital adequacy ratio remains strong at 18.5%, with Tier 1 ratio at 16.6% and core Tier 1 ratio at 12.8%. With the increase in capital due to falling risk-weighted assets, the bank will meet MAS' capital requirements under Basel III in due time.

Kohnke's aim to construct an integrated enterprise-wide risk management measurement tool- a monitoring, analytics and reporting system- was accomplished through the implementation of an asset and liability management system across major geographies in which the bank operates in. This system ensures greater consistency, accuracy and timeliness in managing risks. It also provided an in-depth understanding of OCBC's risk limit and liquidity position due to the streamlined process into one single approach without any manual intervention.

Kohnke accomplishments have set a high standard for future leaders in risk management and continue to stress the importance and benefits of having a good risk management system and a proficient leader to lead it.

The Risk Manager of the Year Award, launched last year, is the highest recognition given to an individual professional involved in the management of risk in the financial services industry in the region. The role of good leaders, with a strong sense of vision and an understanding of the infrastructure required, is an important pillar for all institutions.

The award looks at the individual's entire career and accumulated achievements that have contribute to the prestige of the risk management profession overall. Firstly, we identify an outstanding contribution that has a lasting impression that the individual has given to the risk management industry. Besides that, the bank's risk management performance should have a quantifiable improvement under the individual's reign. The individual should also be regarded highly by his or her peers in the industry as well as employees reporting to him or her.

The awards programme, administered by The Asian Banker is Asia's most important annual risk evaluation programme in the region that analyses and documents emerging best practices and identifies benchmarks that the industry can use as a whole. A stringent three-month evaluation process based on a balanced scorecard evaluates all qualifying candidates, and is then submitted to the advisors for their final approval.

**The full list of winners of the Achievement in Risk Management Awards includes:**

1. Liquidity Risk Management - HSBC Hong Kong
2. Market Risk Management - Standard Chartered Bank Asia Pacific
3. Operational Risk Management - Krungthai Bank
4. Credit Risk Management – Kasikornbank
5. Risk Management Technology - China Minsheng Bank and FICO
6. Enterprise Risk Management - Bank Mandiri and Oracle
7. Risk Analytics Technology - Deutsche Bank and AxiomSL
8. Operational Risk Infrastructure Project - Maybank with SunGard

Winner of the Risk Manager of the Year award:

1. Gilbert Kohnke, head of group risk management, OCBC

The press releases for each country's winners are being issued separately.

Photographs of the awards presentation are attached with this press release.

**About The Asian Banker**

The Asian Banker is the foremost provider of strategic intelligence and data to the financial services industry. The company collects and publishes data on the performance of banks in the Asia Pacific region. The Singapore-based company has offices in Malaysia, China and the Philippines as well as representatives in London and New York. The company's website is [www.theasianbanker.com](http://www.theasianbanker.com)

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## **The Asian Banker Achievement in Risk Management Awards 2013**

### **About the Achievement in Risk Management Awards**

The Risk Manager of the Year Award is a recognition programme that assesses the leadership of risk managers on their respective businesses and the industry as a whole. This is an important award programme that the Asian Banker runs because it underscores the importance of sound and visionary leadership in directing the future of the industry.

The award is also the most prestigious award for individual achievement in the risk management industry in the Asia Pacific region today. The award plays an important role in cultivating a culture of excellence amongst people in leadership positions.

The selection process behind the award programme is a highly rigorous one. It takes stock of financial performance, the stated vision and strategy of the leaders as well as actual achievements, the feedback of staff, customers, investors and the industry through various surveys, a study of the management team and finally is validated by an experienced council of advisors.

### **The Board of Advisors**

The following distinguished personalities served as members of the advisory council for the selection of this year's winners. They bring to bear tremendous expertise and global perspectives to the conduct of the annual meeting.

- Michael Ong, professor of finance, Illinois Institute of Technology
- David Millar, former COO, PRMIA
- Tham Ming Soong, former CRO, UOB
- Rona Morgan, former group head of risk strategy, ANZ Bank
- Andre Thibeault, professor of banking and financial markets, Vlerick Business School

### **The Selection Criteria**

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

1. **The financial performance of the leader's business under consideration.** Here we look at annual results, or the financial performance of the business under review. Strong bottomline performance is the first determinant of a leader's suitability for consideration for this award.
2. **Achievements in the period under review.** We look for either a specific achievement or a series of achievements in the years under consideration. These can be in the form of strong organic growth, the introduction of a new strategy that works for the institution and so on. The size and complexity of the achievement(s) are taken into account.
3. **Overcoming adversities.** Adversities in the period under review are not considered in a bad light under this programme. We take into account adversaries and the tenacity of the leader to overcoming them.

4. **A well-communicated vision.** We require all leaders to have made speeches, given interviews or written reports that provide his or her constituents a clear view of his or her own strategy and direction. These must co-relate to the achievements under consideration. We study all newspaper articles, speeches and interviews provided in the year under review to determine the consistency and commitment to the vision enunciated.
5. **360 degree review of peers and the industry.** We run a series of surveys and interviews with staff and investment analysts to ensure that there is broad acknowledgement of the leadership qualities of the candidate.
6. **Augmented by a good team around the candidate.** In order to distinguish between sustainable leadership and individual leadership, we study the composition and tenancy of the board of directors and/or senior management team around the candidate. We believe that a good candidate for an award in leadership would demonstrate the ability to work with others, inspire them and draw from them to grow the business. This is easier said than done, but we do know those who cut it and those who don't.

### **The Selection Process**

The selection process begins in November and ends in March of the following year. 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 shortlisted candidates are then submitted for a review by the board of advisors, based on a comparative evaluation done by the research team.

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