

Press Release

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## **China Guangfa Bank and Moody's Analytics awarded for Liquidity Risk Technology Implementation of the Year for 2016**

- **China Guangfa Bank significantly improved its liquidity risk management system**
- **The distinguishing feature of this implementation is delivering daily LCR reporting**
- **Scalability and sustainability characteristics**

Hanoi, May 11<sup>th</sup> 2016 - **China Guangfa Bank (CGB) and Moody's Analytics received the award for Liquidity Risk Technology Implementation of the Year** for 2016 in The Asian Banker Risk Management Awards Programme. The programme is administered by The Asian Banker under its prestigious annual Business Achievement Awards programme. The awards ceremony was held in conjunction with The Asian Banker Summit 2016, the foremost annual meeting for decision makers in the financial services industry in the Asia Pacific region, held at JW Marriott Hanoi on 11th May 2016.

### **China Guangfa Bank significantly improved its liquidity risk management system**

Transparency of liquidity risk management has improved significantly—from the liquidity risk management team, to each asset liability committee member. This has helped the management team in making fully informed liquidity management and compliance decisions. The new liquidity risk management system can run contractual cash flow reports and make client behaviour assumptions. It has a new business simulation capability and significantly improves accuracy of the liquidity risk indicator. CGB's liquidity compliance reports as well as over 20 internal liquidity risk reports can be generated automatically. Moreover, the solution has delivered an automated, end-to-end regulatory compliance application that helps the bank to deliver.

### **The distinguishing feature of this implementation is delivering daily LCR reporting**

Delivering daily liquidity coverage ratio (LCR) reporting is the significant achievement of this Moody's Analytics solution. Calculating LCR is complex, and involves high-quality liquidity asset calculation and cash flow generation. Calculating these results again rested on the solution's powerful data management, calculation, and reporting tools. The solution has given the bank's management the ability to implement a best practice business management tool that meets the unique requirements of the bank and its Chinese market. This reporting model has allowed the bank to manage its assets so that its LCR has grown from 40% to 80% in 3 years, while also growing the business.

### **Scalability and sustainability characteristics**

The solution has provided the bank with a powerful, integrated solution to manage its liquidity risk and asset liability management, as well as its compliance with Basel I, II & III. The open, flexible nature of the platform has given the bank a solution that will allow it to adapt its liquidity and regulatory compliance management as its business and regulations evolve. The solution is used by over 130 banks globally, giving the bank's management the confidence that however the bank evolves in the future, it has a partner in Moody's Analytics that will help it to execute their chosen strategy.

### **About The Asian Banker**

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Manila, Hong Kong, Beijing and Dubai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company's website is [www.theasianbanker.com](http://www.theasianbanker.com)

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