

Press Release

AFFIN Bank Group awarded The Achievement in Liquidity Risk Management Award for 2018 in The Asian Banker Risk Management Awards 2018

Beijing, May 25th 2018- AFFIN Bank Group received the Achievement in Liquidity Risk Management Award for 2018 in The Asian Banker Risk Management Awards 2018. The award ceremony was held in conjunction with the Future of Finance Summit at the China World Hotel, Beijing, China on May 25th 2018.



Faced with competition for deposits and pressure on funding costs

With the Net Stable Funding Ratio (NSFR) requirement expected to be implemented, AFFIN Bank Group faced with challenges in soliciting fresh deposits from the market and managing the rising funding cost. Therefore, the bank took measures to strengthen its balance sheet position and put in place infrastructure to monitor and manage liquidity risk.

Implementation of the Asset Liability Management System (“ALMS”)

The bank implemented an Asset Liability Management System to strengthen the bank’s liquidity risk management capabilities. AFFIN bank enhanced its Liquidity Risk Management Framework and embedded the concept of Three Lines of Defence in the day-to-day business activities. In addition, a daily dashboard is also produced for timely liquidity

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risk monitoring. Also, the bank conducts frequent and regular Liquidity Stress Testing to assess its resilience to withstand short term liquidity shocks

Generated CASA and deposit growth

For a sustainable balance sheet, the bank developed a robust funding plan and regularly updated the progress to AFFIN's Group Asset Liability Management Committee and the Board of Directors. The well-structured funding plan contributed to a total deposits (FD and CASA) growth amounting to 11.80% y-o-y for AFFIN Bank Group, against single digit industry deposit growth.

Emphasized the importance of effectively and efficiently managing unexpected liquidity disruption

AFFIN is firmly committed to continuously improve its enterprise-wide and liquidity risk management and emphasizes the importance of effectively and efficiently managing unexpected liquidity disruption in a timely manner and at a reasonable cost. The pro-active initiative is intended to further advance AFFIN's risk management practices to keep up with the competitive environment and fast changing regulatory landscape.

About The Asian Banker

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