

2009 Financial Risk Management Forum Held in Beijing

Beijing, China, June 28, 2009 – The 2009 Financial Risk Management Forum co-organized by Institute of Finance & Banking of Chinese Academy of Social Sciences (CASS) and TEHUA Post-Doctoral Research Station and sponsored by PRMIA and the Prming Education Counseling Corporation in China (PECC) was held today at the Academic Report Hall of CASS.

The theme of this forum was “Financial Crisis and Financial Risk Management”. Present at the forum were

Current and former officials and experts from regulatory bodies: Zhou Daojiong, former chairman of China Securities Regulatory Commission; Wu Xiaoping, former vice chairman of China Insurance Regulatory Commission; Luo Ping, Director of Training Center of China Banking Regulatory Commission and Xuan Changneng, Head of the Financial Stability Bureau of the People’s Bank of China;

Professors and scholars from universities and institutes of learning: Hu Jian, Vice President of the China Center for Financial Research of Peking University, Shi Jianping, Assistant to the president of Central University of Finance and Economics, Professor Wang Songqi, Vice Director of the Center of Finance & Banking of Chinese Academy of Social Sciences, Professor Ding Zhijie, University of International Business and Economics;

Representatives from Chinese financial associations: Ma Qingquan, Secretary General of Securities Association of China, Luo Zhongmin, Director of the Insurance Institute of China and Zhang Wenyuan, Secretary General of the Insurance Institute of China;

Representatives from banks: Dang Junzhang, General Manager of the Risk Management Department of Postal Savings Bank of China as well as risk management representatives from China Construction Bank, Industrial and Commercial Bank of China, Bank of China, Agricultural Bank of China, China Development Bank, China Reinsurance (Group) Company, China CITIC Bank, China Everbright Bank, Beijing Rural Commercial Bank and Baoshang Bank.

At the forum, heated discussions were held on how to strengthen risk management against the backdrop of the financial crisis. The global financial crisis is still spreading, and to various extents, countries around the world have been impacted. The 1997 Asia financial crisis demonstrated that when financial risk management was ignored, a country’s entire economic system could greatly suffer. Thanks to the adoption of steady and effective financial risk management policies, China successfully protected itself from the impact of Asia financial crisis. As China developed and opened further to the world, there had been closer relations between China and the world financial market. This global financial crisis is a great test and rings the alert bell for China. The in-depth causes for the crisis are complicated, but one fact we should bear in mind is that before the crisis, risk management had been long ignored by many financial institutions.

In a bid to cope with the financial crisis and strengthen the risk control of financial institutions, on June 28, 2008, the Ministry of Finance, China Securities Regulatory Commission, National Audit Office of the People’s Republic of China, China Banking Regulatory Commission and China Insurance Regulatory Commission jointly promulgated *Basic Standard for Enterprise Internal Control* to stress the importance of risk management. According to the estimation of IDC, from 2007 to 2011, the market for risk management solutions will grow rapidly at a compound growth rate of 22.4%. Therefore, studying financial risk management theories and practices, as well as experience and cases with regard to the prevention of financial risks, and enhancing risk management awareness and

abilities of practitioners have become an important and urgent topic on the agenda of China's financial industry which aims at achieving sustainable and rapid development. Under this new circumstance, the forum was held in order to combine the wisdom of regulatory bodies, research institutes and financial enterprises to strengthen financial risk management.

This financial forum represents a milestone for PRMIA in its endeavor to introduce international risk management experience into China: it is the day for PRMIA to officially launch the birth of the PRIMIA Education Service Centre, which indicates that China will gradually gear its financial risk management system to world standards and practices.

PECC is an affiliated company of the TEHUA Finance & Economic Research Institute (FERI) and was set up for the execution of this exam and training programme and benefits from the facilities FERI and its sister company, the TEHUA Post-Doctoral Research Station, and other Chinese academic institutions. Through this support, PECC benefits from training and testing centres in more than 40 Chinese cities and a finance faculty of 30 which is currently educating 4,500 finance students and professionals a year in China.

PRMIA is a non-profit, member-led association of professionals, dedicated to advancing the standards of the profession worldwide through the exchange of ideas, professional standards and education. Formed in 2002, PRMIA now has more than 60,000 members from 188 countries and operates over 60 local chapters around the world. PRMIA offers a higher standard for risk professionals and works with universities and training organizations to provide educational resources from the cradle to the pinnacle of risk professionals' careers. PRMIA has recently established chapters in Beijing and Shanghai. More information can be found at www.prmia.org.

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