

Professor Liu Mingkang

DOCTOR OF SOCIAL SCIENCES *honoris causa*

Citation

Regarded as a problem-solving expert of the Chinese banking system, Prof Liu Mingkang has been repeatedly entrusted with handling major issues of the national banking system in times of trouble.

Throughout the years, Prof Liu has held various key posts in banking institutions and government agencies, including Chairman of the China Banking Regulatory Commission (CBRC), member of the Monetary Policy Committee of the People's Bank of China, Chairman of the Board of Directors and President of the Bank of China, Chairman of China Everbright Group, Deputy Governor of the People's Bank of China, Executive Vice President of the China Development Bank, Deputy Governor of Fujian Province and Secretary-General of the Fujian provincial government.

In 1999 while serving as Deputy Governor of the People's Bank of China, Prof Liu was appointed Chairman of the Board of Directors of the Everbright Group to manage the restructuring of the group's finances and to enhance internal risk management in investment. He stressed that the entire group, including listed companies, must adopt international accounting practices to manage its finances prudently. Building on the success of those reforms, the Everbright Group co-founded Sun Life Everbright Life Insurance, turning a new page for mixed operations in China's financial sector.

In 2000, Prof Liu assumed the office of president of the Bank of China, which was again an appointment to deal with crises. He carried out a series of bold reforms to wipe out long-standing malpractices. Well aware of the importance of a good corporate governance structure and sound decision-making system to the bank's long-term development, Prof Liu established a Risk Management Committee, an Asset Disposal Review Committee and a Procurement Review Committee, which strengthened the decision-making and risk assessment systems at the management level and proved effective in deterring corruption.

In addition, with Prof Liu's advocacy, the Bank of China also amended its Articles of Association to improve functions of the Board and the rules of procedure. During his presidency, Prof Liu personally directed the restructuring and merging of 12 subsidiaries of the Bank of China in Hong Kong, as well as its subsequent public listing at the Stock Exchange of Hong Kong in October 2002. This move not only enhanced the Bank of China (Hong Kong)'s market competitiveness, but also pioneered the public listing of China's state-owned commercial banks, thereby accumulating important experience for initial public offerings of the Chinese commercial banking sector as a whole.

During the SARS outbreak in Beijing in 2003, Prof Liu stepped in again to be the first chairman of CBRC to regulate China's banking industry, which was then considered "technically bankrupt" due to a significant amount of bad loans. Pushing forward a comprehensive reform of the state-owned banking sector, he managed to strike a balance between innovation and regulation of the banking sector in accordance with China's specific conditions by raising the provision adequacy ratio. Prof Liu went on to attain various historical milestones for China's banking sector through such measures as state funds injection, disposing of bad assets, founding stock companies, introducing strategic investors, arranging for public listing, and making China's banks among the world's largest in terms of market value. With all these achievements, he built a banking regulatory system with Chinese characteristics, laying a solid foundation for China's banking sector to defend itself against the global financial turmoil in 2009. In view of these achievements, the Global Association of Risk Professionals awarded the Association's 2009 Risk Manager of the Year Award to Prof Liu and the CBRC. Prof Liu was honoured with the Lifetime Achievement Award by *The Asian Banker* magazine in 2012.

A native of Fuzhou, Fujian province and born in Shanghai, Prof Liu received an MBA in 1987 and an honorary doctorate in 2001 from City University London. He is currently the Honorary Dean of Lingnan (University) College of Sun Yat-sen University and a senior fellow of the Hong Kong Institute of Bankers. He was a member of the Financial Stability Board (FSB), Vice Chairman of the Standing Committee on Supervisory and Regulatory Cooperation under FSB, and a member of the Policy Development Group of the Basel Committee on Banking Supervision.

Mr Chairman, for his outstanding public service and remarkable contributions to the development of the Chinese banking sector, may I present Prof Liu Mingkang to you for conferment of the degree of Doctor of Social Sciences *honoris causa*.

Chinese citation written and delivered by Prof Ma Yue