

Overall Winner Best Risk Management Solution

CLP Holdings Ltd
Hong Kong

Francis Ho, Senior Director, Group Treasury & Project Finance



CLP moves to the cloud to manage risk

The challenge

Two years ago, CLP began a treasury transformation project that included restructuring its treasury and risk operations and implementing a new group treasury and risk management solution. The objective was to better integrate cash and risk management, enable real-time data flow, and improve controls and compliance across CLP's Hong Kong and overseas treasury operations.

The company follows a set of well-defined policies to reduce financial related volatilities and ensure a high level of certainty in its decision making. These policies mean that CLP needs to swiftly identify, measure and mitigate risks in response to changes in financial markets, accounting rules and other regulatory requirements.

CLP needed a solution that could provide increased visibility and efficiencies in its mark-to-market process. An integrated platform to manage the company's risk and liquidity profiles would also reduce manual processes, ensure swift response to regulatory changes and scale with its business and help extend its geographic reach.

Francis Ho, Senior Director, Group Treasury & Project Finance, said, "CLP is very pleased to receive the overall winner award for Best Risk Management Solution in the Adam Smith Awards Asia 2018. We believe this is a recognition of CLP's team efforts in maintaining quality risk management that can meet CLP's growth into smarter and more sustainable business directions."

The solution

CLP selected Reval, an ION Treasury solution, to automate its treasury, risk management and cash operations. Reval met more than 20 of the company's most important requirements to facilitate the transition to cloud-based platforms that have made its system more future-proof.

Best practice and innovation

Previously, CLP managed treasury and risk using disparate IT systems, spreadsheets and standalone protocols. Optimisation of its systems was required to facilitate cash positioning, debt and funding, risk identification and evaluation, effective hedge accounting, management reporting, and IFRS compliance.

Scalability and on-demand treasury and risk visibility were key considerations, as well as a cloud-based delivery model to enable a more proactive response to market demands and technological developments. Good connectivity was also important to allow seamless integration with other technologies and platforms.

As an early-adopter of cloud and risk automation, CLP was one of the first companies in the region to adopt the IFRS 9 standard prior to the mandatory effective date. The company has also achieved real-time visibility of data and can easily identify errors via exception processing.

CLP continues to evolve its systems to achieve further automation and process refinements to maximise efficiency, enhance value creation workflows and optimise risk management across its treasury operations.

With measurable and visible benefits of a cloud-based solution in its Hong Kong operations, CLP is now deploying the same solution to its regional business units in India, fostering best practices across its business.

Key benefits

- Higher visibility of risks.
- Improved performance.
- Greater automation.
- Increased accuracy.
- Scalability and connectivity.
- Regulatory compliance.
- Improved responsiveness.
- Seamless integration.

"We are one of the first large Hong Kong-based corporations to move our financial system to the cloud. Implementing SaaS with automatic upgrades to address scalability and regulatory concerns will allow us to grow and extend our operation model seamlessly. Additionally, meeting our stringent hedging policies require timely, accurate visibility and reporting which we have achieved with this project," said Francis Ho.



CLP Holdings Limited is one of the largest investor-owned power businesses in Asia Pacific. Through CLP Power Hong Kong Limited, it operates a vertically-integrated electricity supply business providing a highly-reliable supply of electricity to 80% of Hong Kong's population, and also holds investments in the energy sector in Mainland China, India, Southeast Asia, Taiwan and Australia. CLP's diversified portfolio of generating assets uses a wide range of fuels including coal, gas, nuclear and renewable sources.