



FINANCIAL
SERVICES
INSTITUTE
of Australasia

MEDIA RELEASE 2013 — NEW INDEX FOR AUSTRALIAN FINANCE SECTOR IN THE ASIAN CENTURY

Finsia, the University of New South Wales Institute of Global Finance (IGF), and the New York University Volatility Institute have today signed a collaboration agreement to research volatility and systemic risk in the Australian financial system.

This research will provide the Australian market access to volatility and systemic risk models that have been developed in the USA by Nobel Laureate, Professor Robert Engle. The study will collate data highlighting systemic risk issues specific to the Australian financial system that has played a key role in promoting sound global and regional financial framework.

Finsia CEO Russell Thomas F Fin said, “Systemic risk has become an important issue for the financial services industry, regulators and the general public since the Global Financial Crisis. As we forge closer business ties with Asia, it is vitally important to understand the systemic and volatility risks that impact Australian financial institutions in global and regional capital markets.”

In addition to the research, an index will be created to provide real time data on systemic risk for large and small banks and non-bank Australian financial institutions. This data will be a vital resource for the industry to signal to global and Asian capital markets the strength of Australia’s financial institutions in the post GFC era. This will assist Australia’s big four and burgeoning superannuation funds to build on their comparative advantage and further expand and diversify their business activities both globally and regionally.

The Director of the Institute of Global Finance at UNSW, Professor Fariborz Moshirian also emphasised the project’s strategic significance, “This project is very exciting and important, as we are able to provide detailed analysis of the contribution of Australian banks and non-banks to global and regional financial systemic risk. The collaboration with the Volatility Institute at NYU will ensure world class research work in an area that is highly important for financial markets.”

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finsia.com

Level 18
1 Bligh Street
Sydney NSW 2000
Australia

T 61 2 9275 7900
T 1300 346 742
F 61 2 9275 7999
membership@finsia.com

PO Box H99
Australia Square
NSW 1215
Australia

ABN 96066027389

About Finsia

Finsia — the Financial Services Institute of Australasia — is the only professional association representing the entire spectrum of financial services throughout Australia and New Zealand. Its reach extends to thousands of individual professionals working across the broad categories of banking, wealth management and capital markets.

Finsia plays a vital role in protecting the industry's strength and competitiveness in the global marketplace through its core purpose of helping members succeed in their careers and supporting the growth and development of the industry.

This is achieved through the provision of relevant and high quality professional development programs, a comprehensive suite of career support services and an extensive range of industry-leading information resources and publications. Finsia's leadership, research and policy-setting initiatives also play a critical role in promoting industry growth both regionally and around the world.

For further information about Finsia, visit: finsia.com/

For media enquiries please contact:

Samuel Bell, A Fin
Senior Policy Advisor
Finsia — Financial Services Institute of Australasia
t: 61 2 9275 7953
f: 61 2 9275 7555
e: s.bell@finsia.com
www.finsia.com

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finsia.com

Level 18
1 Bligh Street
Sydney NSW 2000
Australia

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