

Press Release

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## **Bank of Queensland awarded for Achievement in Liquidity Risk Management for 2016**

- **The early adoption of a liquidity coverage ratio by Australia ensured that it is ahead of its international peers**
- **Improvement in monitoring capabilities and market perception**
- **Improvement in balance sheet position**

Hanoi, May 11<sup>th</sup> 2016 - **Bank of Queensland (BOQ)** received the award for **Achievement in Liquidity Risk Management** for 2016 in The Asian Banker Risk Management Awards Programme. The programme is administered by The Asian Banker under its prestigious annual Business Achievement Awards programme. The awards ceremony was held in conjunction with The Asian Banker Summit 2016, the foremost annual meeting for decision makers in the financial services industry in the Asia Pacific region, held at JW Marriott Hanoi on 11th May 2016.

### **The early adoption of a liquidity coverage ratio by Australia ensured that it is ahead of its international peers**

Unlike its Australian counterparts, BOQ simultaneously implemented a major system development with new business development. The quantitative risk management (QRM) implementation was a major (\$9 million) project delivered on time and on budget, generating \$4.25 million per annum of benefits (\$2 million related to liquidity), which were incorporated into the Treasury budget.

### **Improvement in monitoring capabilities and market perception**

The achievement of the QRM project was impressive as it included the ability to monitor market perception. BOQ's market perception improved as it saw Fitch join Standard and Poor's and Moody's in lifting BOQ's long-term credit rating from (BBB+) to (A-) in 2014. In terms of system capability, BOQ implemented the QRM Asset and Liability Management (ALM) system, which provided an integrated liquidity, interest rate risk in the banking book, funds transfer pricing, and balance sheet forecasting solution that incorporates industry best practices. BOQ also continued to build its long-term wholesale funding profile, implementing a more liquid and transparent market pricing for investors.

### **Improvement in balance sheet position**

A liquid asset concentration framework was introduced to further diversify the liquid asset portfolio and drive yield enhancement. This was built through the bank's domestic senior unsecured funding curve through regular issuances of consistent size across multiple tenors. As a result, liquidity improved, and market pricing has since become transparent for investors.

This has also allowed the bank to promote and show its commitment to the core values of its funding strategy, which is centred on capacity building, diversity, and resilience of the wholesale funding base.

### **About The Asian Banker**

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